

# EXHIBIT A

**SUPERIOR COURT OF BRYAN COUNTY  
STATE OF GEORGIA**

FILED IN OFFICE  
CLERK OF SUPERIOR COURT  
BRYAN COUNTY, GEORGIA  
**SUV2019000348**  
CR  
SEP 05, 2019 12:58 PM

  
Rebecca Crowe, Clerk  
Bryan County, Georgia

CIVIL ACTION NUMBER SUV2019000348  
The Ford Plantation Club, Inc.

**PLAINTIFF**

VS.

New York Marine and General Insurance  
Company  
Hartford Steam Boiler Inspection and  
Insurance Co.

**DEFENDANTS**

**SUMMONS**

TO THE ABOVE NAMED DEFENDANTS:

You are hereby summoned and required to file with the Clerk of said court and serve upon the Plaintiff's attorney, whose name and address is:

**Ashley N. Harris  
Merlin Law Group, P.A.  
777 S. Harbour Island Blvd., Suite 950  
Tampa, Florida 33602**

an answer to the complaint which is herewith served upon you, within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

**This 5th day of September, 2019.**

Clerk of Superior Court



Rebecca Crowe, Clerk  
Bryan County, Georgia

IN THE SUPERIOR COURT OF BRYAN COUNTY  
STATE OF GEORGIA

THE FORD PLANTATION CLUB, INC.,

Plaintiff,

v.

CIVIL ACTION NO.:

NEW YORK MARINE AND GENERAL  
INSURANCE COMPANY and HARTFORD  
STEAM BOILER INSPECTION AND  
INSURANCE COMPANY,

Defendants.

---

**COMPLAINT FOR BREACH OF CONTRACT AND  
BAD FAITH DAMAGES WITH DEMAND FOR JURY TRIAL**

Plaintiff, THE FORD PLANTATION CLUB, INC., ("Plaintiff"), by and through its undersigned counsel, hereby files this Complaint for Breach of Contract and Bad Faith Damages with Demand for Jury Trial against Defendants, NEW YORK MARINE AND GENERAL INSURANCE COMPANY, ("NEW YORK MARINE"), and HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY, ("HARTFORD"), collectively referred to as "Defendants", and as grounds therefore states as follows:

**GENERAL ALLEGATIONS**

1. This is an action for Breach of Contract and Bad Faith Damages against Defendants, NEW YORK MARINE and HARTFORD.
2. Plaintiff owns property located at 12511 Ford Avenue, Richmond Hill, Georgia 31324 (the "Property"). Plaintiff submits itself to the jurisdiction of this Court, and the damages exceed \$15,000.00.

FILED IN OFFICE  
CLERK OF SUPERIOR COURT  
BRYAN COUNTY, GEORGIA  
**SUV2019000348**  
CR  
SEP 05, 2019 12:58 PM  
*Rebecca G. Crowe*  
Rebecca Crowe, Clerk  
Bryan County, Georgia

3. At all times material to this cause of action, Defendant, NEW YORK MARINE was and is a corporation in the business of insurance, conducting business in Bryan County, Georgia and throughout the State of Georgia, with its principal office at 59 Maiden Lane, 27<sup>th</sup> Floor, New York, New York 10038.

4. At all times material to this cause of action, Defendant, HARTFORD was and is a corporation in the business of insurance, conducting business in Bryan County, Georgia and throughout the State of Georgia, with its principal office at One State Street, Hartford, Connecticut 06102-5024.

5. This matter arises from a contract dispute regarding the insurance policy Defendants issued in Georgia to cover certain losses to the Property, and, therefore, this Court has subject matter jurisdiction over this dispute and has personal jurisdiction over Defendants.

6. This action arises from events relating to real property located in the State of Georgia. Venue is appropriate in this Court pursuant to O.C.G.A. §33-4-1, *et seq.*

7. In consideration of the premium paid to it by Plaintiff, Defendants issued a commercial property insurance policy, Policy No.: PK201700007890, (hereinafter the "Policy"), to Plaintiff, which was in full force and effect at the time of Plaintiff's loss. A copy of the subject Policy is attached hereto as **Exhibit "A"**.

8. The Policy specifically includes endorsements identified as Equipment Breakdown Coverage (PR 0012 (01-15)) and Affinity Pro-Club Property Endorsement (PR 0079 (10-14)).

9. During the time the Policy was in full force and effect, Plaintiff suffered a loss to the insured property resulting from an equipment breakdown.

10. Plaintiff promptly submitted a claim for its losses, and immediately began mitigating its damages with repairs to the Property.

11. NEW YORK MARINE assigned Claim Number LAX00125834 to Plaintiff's claim for damages to the insured property.

12. HARTFORD assigned Claim Number HSB000504318 to Plaintiff's claim for damages to the insured property.

13. Despite Plaintiff's well-documented presentation of its damages, Defendants have not issued full payment of this loss.

14. Defendants have a contractual obligation to investigate all possible bases which might support Plaintiff's claim and cannot deny a claim or part of a claim without thoroughly investigating the foundation for their denial or basis for withholding insurance benefits.

15. NEW YORK MARINE and HARTFORD have not properly investigated or adjusted Plaintiff's loss.

16. NEW YORK MARINE and HARTFORD have not properly paid Plaintiff's claim.

17. NEW YORK MARINE and HARTFORD have a contractual obligation not to look the other way when confronted with facts revealing the possibility of coverage and resisting reasonable interpretations of its Policy.

18. NEW YORK MARINE and HARTFORD have a contractual obligation not to deny or devalue the claim based on standards known to be impermissible or on an interpretation contrary to established law.

19. Plaintiff provided Defendants with all requested documents and/or information needed for Defendants to tender owed insurance benefits.

20. Plaintiff provided NEW YORK MARINE and HARTFORD access to the insured property so that it could inspect and evaluate all claimed damages.

21. NEW YORK MARINE and HARTFORD have wrongfully denied and withheld full payment of Plaintiff's claim for damages resulting from its covered loss.

**COUNT I**  
**(BREACH OF CONTRACT)**

22. Plaintiff re-alleges paragraphs 1 through 21 as if fully set forth herein.

23. This is an action for damages for breach of contract against Defendants, NEW YORK MARINE and HARTFORD, arising out of Policy No.: PK201700007890, that was in full force and effect at the time of the loss to the insured property.

24. During the time the Policy was in full force and effect, Plaintiff suffered a loss to insured property resulting from an equipment breakdown.

25. Plaintiff promptly provided notice of the loss to NEW YORK MARINE and HARTFORD, and immediately began mitigating its damages and losses.

26. In response, NEW YORK MARINE assigned Claim Number LAX00125834 to Plaintiff's claim for damages to the insured property, and HARTFORD assigned Claim Number HSB000504318 to Plaintiff's claim for damages to the insured property.

27. Plaintiff sustained a substantial loss and damage to the insured property and is entitled to payment of its claim in the amount to be determined at trial.

28. Plaintiff's claim for loss and damages resulting from equipment breakdown are covered by the Policy.

29. Plaintiff satisfied all conditions precedent to recover its claimed losses from Defendants under the Policy.

30. Plaintiff's claim for loss and damage is due and owing under the Policy.

31. NEW YORK MARINE and HARTFORD breached the insurance contract and Policy with Plaintiff by, among other things, failing and refusing to make prompt insurance benefit payments to Plaintiff, which are past due and owing under the Policy.

32. As a result of the breach of the Policy, NEW YORK MARINE and HARTFORD are liable to Plaintiff in an amount to be determined at trial, including applicable interest.

33. Due to Defendants' denial of the full policy benefits, Plaintiff is entitled to recover pre-judgment interest from the date of loss.

34. Plaintiff is entitled to prevailing party costs.

35. Plaintiff demands a jury trial on all triable issues.

**WHEREFORE**, Plaintiff, THE FORD PLANTATION CLUB, INC., demands judgement against Defendants as follows:

- a. Judgment against Defendants, NEW YORK MARINE AND GENERAL INSURANCE COMPANY and HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY, for this Complaint for Breach of Contract for all amounts due and owing under the Policy, including pre- and post-judgment interest, for its damages in an amount to be determined at trial;
- b. That Plaintiff be awarded its costs of suit incurred, pursuant to O.C.G.A. §13-6-11;
- c. That judgment be entered against NEW YORK MARINE AND GENERAL INSURANCE COMPANY and HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY for Plaintiff's reasonable attorney's fees and expenses of litigation in this action, pursuant to O.C.G.A. §13-6-11; and
- d. That Plaintiff recover such other and further relief as this Court may deem just, necessary, and proper.

**COUNT II**  
**(BAD FAITH DAMAGES AGAINST INSURER**  
**PURSUANT TO O.C.G.A. §13-6-11 and §33-4-6)**

36. Plaintiff re-alleges paragraphs 1 through 20 and 21 through 35 as if fully set forth herein.

37. On or about July 3, 2019, Plaintiff provided demand letters to NEW YORK MARINE and HARTFORD seeking indemnification for all owed insurance monies and placed Defendants on notice of its intent to pursue a claim for unfair claims handling pursuant to O.C.G.A. §33-4-6 and Georgia law.

38. On or about July 29, 2019 and August 30, 2019 Plaintiff received responses to its demand letter of July 3, 2019.

39. NEW YORK MARINE and HARTFORD'S conduct in refusing to fully indemnify Plaintiff for its loss under Policy No. PK201700007890 constitutes bad faith under Georgia law, specifically O.C.G.A. §13-6-11 and O.C.G.A. §33-4-6. Plaintiff is entitled to extra contractual damages under O.C.G.A. §33-4-6 and Georgia law, including the penalties and fees provided for under Georgia statute, in an amount to be determined at trial.

40. NEW YORK MARINE and HARTFORD have acted in bad faith, have been stubbornly litigious, or have caused the Plaintiff unnecessary trouble and expense by their breach of the insurance contract/Policy. Pursuant to O.C.G.A. §13-6-11, Plaintiff is entitled to recover expenses of this litigation.

41. NEW YORK MARINE and HARTFORD made material misrepresentations to Plaintiff regarding relevant facts and policy terms, conditions, and coverages relating to owed insurance benefits.

42. NEW YORK MARINE and HARTFORD have a duty to attempt, in good faith, to



settle claims when, under all these circumstances, they could and should have done so, had they acted fairly and honestly towards their insured, and with due regard for the insured's interest.

43. NEW YORK MARINE and HARTFORD have wrongfully failed and/or refused, in good faith, to settle Plaintiff's claim when under all circumstances they could and should have done so had they acted fairly and honestly towards its insured, thereby failing to settle or pay the subject claim when the obligation to settle and pay had become more than reasonably clear. Upon information and belief, NEW YORK MARINE and HARTFORD breached this duty in claims handling of Plaintiff's loss, for, *inter alia*, financial gain and profit. For example:

44. NEW YORK MARINE and HARTFORD could have and/or should have timely tendered the insurance benefits that were due and owing to Plaintiff had they conducted a fair and reasonable claim investigation.

45. NEW YORK MARINE and HARTFORD failed and/or refused to treat Plaintiff fairly and honestly and with due regard for its interests in attempts to coerce Plaintiff to accept their "low-ball" offer, when they knew or should have known that Plaintiff's damages far exceeded Defendant's damage estimate(s). Upon information and belief, NEW YORK MARINE and HARTFORD breached this duty in claims handling of Plaintiff's loss, for, *inter alia*, financial gain and profit

46. NEW YORK MARINE and HARTFORD have a duty to adopt and implement standards for the proper investigation and settlement of claims. Upon information and belief, NEW YORK MARINE and HARTFORD breached this duty in the adjustment of Plaintiff's insurance claim for, *inter alia*, financial gain and profit.

47. NEW YORK MARINE and HARTFORD have a duty to not misrepresent pertinent facts or insurance policy provisions relating to coverages at issue. NEW YORK

MARINE and HARTFORD breached this duty in the adjustment of Plaintiff's insurance claim for, *inter alia*, financial gain and profit.

48. NEW YORK MARINE and HARTFORD have a duty not to deny claims without conducting reasonable investigations based upon available information. NEW YORK MARINE and HARTFORD breached this duty in the adjustment of Plaintiff's insurance claim.

49. Upon information and belief, as a general business practice, NEW YORK MARINE and HARTFORD intentionally and/or in such reckless disregard for the rights of the insureds, utilizes unfair claims handling practices for financial gain and profit.

50. Upon information and belief, NEW YORK MARINE and HARTFORD financially benefited from their unfair claims handling practices, and as such, Defendants should be made to disgorge all unlawful or illegitimate monies they profited from such bad faith claims handling practices, including but not limited to, any interest or monies Defendants made from such unlawful or illegitimate monies.

51. Plaintiff is entitled to extra contractual damages under Georgia law, including the penalties and fees provided for under Georgia Statute, in an amount to be determined at trial.

52. In order to pursue its claim against NEW YORK MARINE and HARTFORD, Plaintiff has been required to engage the services of attorneys, for which it shall continue to incur fees and expenses in the pursuit of its claims herein against NEW YORK MARINE and HARTFORD.

**WHEREFORE**, Plaintiff, THE FORD PLANTATION CLUB, INC., prays to this Honorable Court:

- a. That Plaintiff be awarded extra contractual damages pursuant to O.C.G.A. §33-4-6 upon this Court's determination that the failure and delay of NEW YORK MARINE

and HARTFORD to indemnify Plaintiff for its covered losses and damages was in bad faith under Georgia law;

- b. That NEW YORK MARINE and HARTFORD be required to disgorge all unlawful or illegitimate monies Defendants profited from their bad faith claims handling practices of unfair insurance claims practices utilized against their insureds including but not limited to, any interest or monies Defendants made from such unlawful or illegitimate monies;
- c. That Plaintiff be awarded its costs of suit incurred, pursuant to O.C.G.A. §33-4-6 and §13-6-11;
- d. That judgment be entered against NEW YORK MARINE and HARTFORD for Plaintiff's reasonable attorneys' fees and expenses of litigation in this action, pursuant to O.C.G.A. §33-4-6 and §13-6-11; and
- e. That Plaintiff has and recover such other and further relief as this Court may deem just, necessary, and proper.

**JURY TRIAL DEMAND**

Plaintiff, THE FORD PLANTATION CLUB, INC., requests a jury trial on the issues as joined by the pleadings.

Respectfully submitted this 5<sup>th</sup> day of September, 2019.

**MERLIN LAW GROUP, P.A.**

**/s/ Ashley N. Harris**

Ashley N. Harris, Esquire

Georgia Bar No.: 786008

777 S. Harbour Island Blvd., Suite 950

Tampa, FL 33602

Tel.: (813) 229-1000

Fax: (813) 229-3692

[aharris@merlinlawgroup.com](mailto:aharris@merlinlawgroup.com)

[charris@merlinlawgroup.com](mailto:charris@merlinlawgroup.com)

[npincus@merlinlawgroup.com](mailto:npincus@merlinlawgroup.com)

*Counsel for Plaintiff*

# EXHIBIT “A”



## **Need to Report a Claim?**

**By e-mail:**      **[claims@prosightspecialty.com](mailto:claims@prosightspecialty.com)**  
*(This is our preferred method of claim reporting)*

**By fax:**            **1(800)-326-2864**

**By mail:**        **ProSight Specialty Insurance**  
**Claims Department**  
**412 Mt. Kemble Avenue**  
**Suite 300C**  
**Morristown, NJ 07960**

**By phone:**      **1(800)-774-2755**    **Press '1' to report a claim**  
*(Available anytime - days, nights & weekends)*

**Press '2' to inquire about a  
workers' compensation claim**  
*(Available 8:00am to 5:00pm EST)*

**Press '3' to inquire about all  
other claims**  
*(Available 8:00am to 5:00pm EST)*

***For more information visit our website at [www.prosightspecialty.com](http://www.prosightspecialty.com)***

# NEW YORK MARINE AND GENERAL INSURANCE COMPANY

59 Maiden Lane, 27th Floor  
New York, NY 10038-4647

## COMMON POLICY DECLARATIONS

**POLICY NUMBER:** PK201700007890

**PREVIOUS POLICY NUMBER:** PK201600007890

<b>COMPANY NAME</b> New York Marine and General Insurance Company 59 Maiden Lane, 27th Floor New York, NY 10038-4647	<b>PRODUCER NAME</b> 00176 Affinity Agency Group, LLC 163 Madison Avenue #310 Morristown, NJ 07960
<b>NAMED INSURED:</b> The Ford Plantation Club, Inc. and The Ford Plantation Association, As Per Named Insured Extension Schedule	
<b>MAILING ADDRESS:</b> 12511 Ford Ave Richmond Hill, GA 31324	
<b>POLICY PERIOD:</b> FROM 06/01/2017 TO 06/01/2018 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.	

<b>BUSINESS DESCRIPTION</b>	Country Club
-----------------------------	--------------

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

	<b>PREMIUM</b>
COMMERCIAL CRIME COVERAGE PART	\$317.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$13,338.00
COMMERCIAL PROPERTY COVERAGE PART	\$80,742.00
TERRORISM - CERTIFIED ACTS (GENERAL LIABILITY)	\$38.00
TERRORISM - CERTIFIED ACTS (PROPERTY)	\$367.00
<b>TOTAL:</b>	<b>\$94,802.00</b>

**POLICY NUMBER:** PK201700007890

<b>FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):</b>	
See Schedule of Forms and Endorsements.	
<b>Countersigned</b>	<b>By:</b>
(Date)	(Authorized Representative)



## NAMED INSURED EXTENSION SCHEDULE

<b>POLICY NUMBER:</b> PK201700007890	<b>EFFECTIVE DATE:</b> 06/01/2017
---	--------------------------------------

The Ford Plantation Club, Inc. and The Ford Plantation Association, Inc.

SIGNATURE PAGE

In witness whereof, New York Marine and General Insurance Company has caused this policy to be signed by its president and secretary.



President

Secretary

---

Named Insured: **The Ford Plantation Club, Inc. and The Ford Plantation**

Policy #: **PK201700007890**

Policy Period: **06/01/2017 – 06/01/2018**

IL 0001 (1010)

## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> PK201700007890	<b>EFFECTIVE DATE:</b> 06/01/2017
---	--------------------------------------

### NUMBER

### TITLE

#### **COMMON**

IL DS 00 (09-08) Common Policy Declarations  
 IL 0001 (10-10) Signature Page  
 IL 00 17 (11-98) Common Policy Conditions  
 IL 00 21 (09-08) Nuclear Energy Liability Exclusion Endorsement (Broad Form)  
 IL 02 62 (02-15) Georgia Changes - Cancellation And Nonrenewal  
 IL 09 35 (07-02) Exclusion Of Certain Computer-Related Losses  
 IL 09 52 (01-15) Cap on Losses from Certified Acts of Terrorism  
 IL 09 86 (01-15) Exclusion Of Certified Acts Of Terrorism Involving Nuclear, Biological, Chemical Or Radiological Terrorism; Cap On Covered Certified Acts Losses  
 PR 0079 (10-14) Affinity Pro-Club Property Endorsement

#### **PROPERTY**

CP DS 00 (10-00) Commercial Property Coverage Part Declarations  
 CP 00 10 (10-12) Building And Personal Property Coverage Form  
 CP 00 30 (10-12) Business Income (And Extra Expense) Coverage Form  
 CP 00 90 (07-88) Commercial Property Conditions  
 CP 01 31 (03-13) Georgia Changes  
 CP 01 40 (07-06) Exclusion Of Loss Due To Virus Or Bacteria  
 CP 03 20 (10-92) Multiple Deductible Form  
 CP 03 25 (10-12) Named Storm Percentage Deductible  
 CP 10 30 (10-12) Causes of Loss - Special Form  
 CP 15 05 (10-12) Food Contamination (Business Interruption And Extra Expense)  
 CP 15 45 (10-12) Utility Services - Time Element  
 CP 15 56 (06-07) Business Income Changes - Beginning of the Period of Restoration  
 PR 0012 (01-15) Equipment Breakdown Coverage  
 PR 00 46 (03-13) Deluxe Commercial Property Extension  
 PR 0081 (10-14) Extended Pollutant Clean-Up and Removal Coverage

#### **GENERAL LIABILITY**

CG DS 01 (10-01) Commercial General Liability Declarations  
 CG DS 03 (07-98) LIQUOR LIABILITY DECLARATIONS  
 CG 00 01 (04-13) Commercial General Liability Coverage Form  
 CG 00 33 (04-13) Liquor Liability Coverage Form (Occurrence)  
 CG 04 35 (12-07) Employee Benefits Liability Coverage  
 CG 20 34 (04-13) Additional Insured - Lessor Of Leased Equipment - Automatic Status When Required In Lease Agreement With You  
 CG 21 06 (05-14) Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception  
 CG 21 34 (01-87) Exclusion - Designated Work  
 CG 21 47 (12-07) Employment-Related Practices Exclusion  
 CG 21 55 (09-99) Total Pollution Exclusion With A Hostile Fire Exception  
 CG 21 67 (12-04) Fungi or Bacteria Exclusion  
 CG 21 71 (01-15) Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap on Losses From Certified Acts of Terrorism  
 CG 22 64 (04-13) Pesticide Or Herbicide Applicator - Limited Pollution Coverage

## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> PK201700007890	<b>EFFECTIVE DATE:</b> 06/01/2017
---	--------------------------------------

**NUMBER****TITLE****GENERAL LIABILITY**

GL 0445 (01-16) CLUB COMPLETE COMMERCIAL LIABILITY BROADENING ENDORSEMENT

**CRIME**

CR DS 01 (08-13) Crime And Fidelity Coverage Part Declarations (Commercial Entities)  
CR 00 21 (11-15) Commercial Crime Coverage Form (Loss Sustained Form)  
CR 01 32 (08-07) Georgia Changes - Concealment, Misrepresentation Or Fraud

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph A.1. of the Cancellation Common Policy Condition is replaced by the following:**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be cancelled, subject to the following:
  - a. If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date we receive notice from the first Named Insured or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the first Named Insured.
  - b. If by statute, regulation or contract this policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days' notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1) 10 days from the date of mailing or delivering our notice; or
- (2) The effective date of cancellation stated in the first Named Insured's notice to us.

**B. Paragraph A.5. of the Cancellation Common Policy Condition is replaced by the following:**

**5. Premium Refund**

- a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b. If we cancel, the refund will be pro rata, except as provided in c. below.
- c. If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.
- d. If the first Named Insured cancels, the refund may be less than pro rata.
- e. The cancellation will be effective even if we have not made or offered a refund.



**C. The following is added to the Cancellation Common Policy Condition and supersedes any other provisions to the contrary:**

If we decide to:

1. Cancel or nonrenew this policy; or
2. Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any policy provision which would limit or restrict coverage;

then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured and lienholder, if any, at the last mailing address known to us. Except as applicable as described in Paragraph D. or E. below, we will mail or deliver notice at least:

- a. 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium; or
- b. 45 days before the effective date of cancellation if this policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium; or
- c. 45 days before the expiration date of this policy if we decide to nonrenew, increase the premium or limit or restrict coverage.

**D. The following provisions apply to insurance covering residential real property only provided under the:**

Capital Assets Program (Output Policy) Coverage Part;

Commercial Property Coverage Part;

Farm Coverage Part;

if the named insured is a natural person.

With respect to such insurance, the following is added to the Cancellation Common Policy Condition and supersedes any provisions to the contrary except as applicable as described in Paragraph E.:

1. When this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel for any reason by notifying the first Named Insured at least 10 days before the date cancellation takes effect.

**2. When this policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:**

- a. Nonpayment of premium, whether payable to us or to our agent;
- b. Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under this policy in obtaining this policy, continuing this policy or presenting a claim under this policy;
- c. Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
- d. Upon the violation of any of the material terms or conditions of this policy by any person insured under this policy.

We may cancel by providing notice to the first Named Insured at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if we cancel for any of the reasons listed in b., c. or d. above.

**E. With respect to a policy that is written to permit an audit, the following is added to the Cancellation Common Policy Condition:**

If you fail to submit to or allow an audit for the current or most recently expired term, we may cancel this policy subject to the following:

1. We will make two documented efforts to send you and your agent notification of potential cancellation. After the second notice has been sent, we have the right to cancel this policy by mailing or delivering a written notice of cancellation to the first Named Insured at least 10 days before the effective date of cancellation, but not within 20 days of the first documented effort.
2. If we cancel this policy based on your failure to submit to or allow an audit, we will send the written notice of cancellation to the first Named Insured at the last known mailing address by certified mail or statutory overnight delivery with return receipt requested.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1) Computer hardware, including micro-processors;
      - (2) Computer application software;
      - (3) Computer operating systems and related software;
      - (4) Computer networks;
      - (5) Microprocessors (computer chips) not part of any computer system; or
      - (6) Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR  
RADIOLOGICAL TERRORISM; CAP ON COVERED  
CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

**SCHEDULE**

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B. The following exclusion is added:**

**LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph B.1. or B.2., the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

**C. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph B. results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**D. Cap On Certified Terrorism Losses**

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph B. and to any loss or damage that is covered and to which the exception in Paragraph C. applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Paragraph, D., does not apply to insurance provided under the Crime And Fidelity Coverage Part.

**E. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

# COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

POLICY NO. PK201700007890

EFFECTIVE DATE 06/01/2017

☐ "X" If Supplemental  
Declarations Is Attached

## NAMED INSURED

The Ford Plantation Club, Inc. and The Ford Plantation Association,  
As Per Named Insured Extension Schedule

## DESCRIPTION OF PREMISES

Prem. Bldg. Location, Construction And Occupancy  
No. No.

See Description of Premises Schedule

## COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinurance*
--------------	--------------	----------	-----------------------	---------------------------	-------------

See Coverages Provided Schedule

\*If Extra Expense Coverage, Limits On Loss Payment

## OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Expiration Date	Agreed Value		Replacement Cost (X)		
			Cov.	Amount	Building	Pers. Prop.	Including Stock

See Optional Coverages Schedule

Inflation Guard (%)  
Bldg. Pers.  
Prop.

\*Monthly Limit Of  
Indemnity

Maximum Period  
Of Indemnity

\*Extended Period  
Of Indemnity

\*Applies to Business Income Only

## MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
--------------	--------------	---

## DEDUCTIBLE

See Property Deductible Forms

Exceptions:

**DESCRIPTION OF PREMISES**

---

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Location, Construction And Occupancy</b>
001	001	Clubhouse 12511 Ford Ave Bryan Richmond Hill, GA 31324 Joisted Masonry
001	002	Main House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Masonry Non-Combustible
001	003	Spa 12511 Ford Ave Bryan Richmond Hill, GA 31324 Masonry Non-Combustible
001	004	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	005	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	006	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	007	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	008	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	009	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame

**DESCRIPTION OF PREMISES**

---

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Location, Construction And Occupancy</b>
001	010	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	011	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	012	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	013	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	014	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	015	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	016	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	017	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
001	018	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame



**DESCRIPTION OF PREMISES**

---

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Location, Construction And Occupancy</b>
001	019	Pump House 12511 Ford Ave Bryan Richmond Hill, GA 31324 Frame
002	001	Sales Office 48 Ford Way Bryan Richmond Hill, GA 31324 Frame

**COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown**

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
		Blanket Building	\$15,926,494		
		Blanket Personal Property of Insured	\$2,257,962		
		Blanket Business Income Other Than Rental Value	\$1,000,000		
001	001	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Business Income Other Than Rental Value	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	002	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	003	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	004	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	005	Building	Included in Blanket	Special Form Including Theft	100%

**COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown**

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Coverage</b>	<b>Limit Of Insurance</b>	<b>Covered Causes Of Loss</b>	<b>Coinsurance*</b>
001	005	Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	006	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	007	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	008	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	009	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	010	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	011	Building	Included in Blanket	Special Form Including Theft	100%

**COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown**

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
001	011	Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	012	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	013	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	014	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	015	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	016	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	017	Building	Included in Blanket	Special Form Including Theft	100%

**COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown**

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Coverage</b>	<b>Limit Of Insurance</b>	<b>Covered Causes Of Loss</b>	<b>Coinurance*</b>
001	017	Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	018	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
001	019	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		
002	001	Building	Included in Blanket	Special Form Including Theft	100%
		Personal Property of Insured	Included in Blanket	Special Form Including Theft	100%
		Equipment Breakdown	See BM 0002		

**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      001      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$3,564,624  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$437,750  
                 Replacement Cost  
                 Including Stock  
  
                 Business Income Other Than Rental Value  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$1,000,000  
                 \*Extended Period of Indemnity: 90 Days

Equipment Breakdown

001      002      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$3,898,808  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$669,500  
                 Replacement Cost  
                 Including Stock

Equipment Breakdown

001      003      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$1,670,918  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$103,000  
                 Replacement Cost  
                 Including Stock

Equipment Breakdown

**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      004      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      005      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      006      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      007      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      007      Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

Equipment Breakdown

001      008      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

Personal Property of Insured  
Agreed Value  
Expiration Date: 06/01/2018  
Amount: \$56,107  
Replacement Cost  
Including Stock

Equipment Breakdown

001      009      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

Personal Property of Insured  
Agreed Value  
Expiration Date: 06/01/2018  
Amount: \$56,107  
Replacement Cost  
Including Stock

Equipment Breakdown

001      010      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

Personal Property of Insured  
Agreed Value  
Expiration Date: 06/01/2018  
Amount: \$56,107  
Replacement Cost  
Including Stock

Equipment Breakdown



**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      011      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

001      012      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

001      013      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

001      014      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      014      Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      015      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      016      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

001      017      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost  
  
                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock  
  
                 Equipment Breakdown

**OPTIONAL COVERAGES      Applicable Only When Entries Are Made In The Schedule Below**

---

**Prem. Bldg.**

**No.      No.**

001      018      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

001      019      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$362,009  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$56,107  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

002      001      Building  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$1,000,000  
                 Replacement Cost

                 Personal Property of Insured  
                 Agreed Value  
                 Expiration Date: 06/01/2018  
                 Amount: \$150,000  
                 Replacement Cost  
                 Including Stock

                 Equipment Breakdown

**FORMS APPLICABLE****To All Coverages:**

CP 03 25 (10-12)  
PR 00 46 (03-13)  
PR 0012 (01-15)  
PR 0081 (10-14)

**To Specific Premises/Coverages:**

Prem. No.	Bldg. No.	Coverages	Form Number
001	001	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Business Income Other Than Rental Value	CP 00 30 (10-12)
			CP 10 30 (10-12)
			CP 15 05 (10-12)
			CP 15 45 (10-12)
			CP 15 56 (06-07)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	002	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	003	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	004	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	005	Building	CP 00 10 (10-12)

**FORMS APPLICABLE****To All Coverages:****To Specific Premises/Coverages:**

Prem. No.	Bldg. No.	Coverages	Form Number
001	005	Building	CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	006	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	007	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	008	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	009	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	010	Building	CP 00 10 (10-12)

**FORMS APPLICABLE****To All Coverages:****To Specific Premises/Coverages:**

Prem. No.	Bldg. No.	Coverages	Form Number
001	010	Building	CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	011	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	012	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	013	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	014	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	015	Building	CP 00 10 (10-12)

**FORMS APPLICABLE****To All Coverages:****To Specific Premises/Coverages:**

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Coverages</b>	<b>Form Number</b>
001	015	Building	CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	016	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	017	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	018	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
001	019	Building	CP 00 10 (10-12)
			CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)
002	001	Building	CP 00 10 (10-12)

**FORMS APPLICABLE**

---

**To All Coverages:****To Specific Premises/Coverages:**

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Coverages</b>	<b>Form Number</b>
002	001	Building	CP 10 30 (10-12)
		Personal Property of Insured	CP 00 10 (10-12)
			CP 10 30 (10-12)
		All Coverages	CP 00 90 (07-88)
			CP 01 31 (03-13)
			CP 01 40 (07-06)
			CP 03 20 (10-92)
			CP DS 00 (10-00)



## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A.1., and limited in A.2. Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

##### a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

##### b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

##### c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## **2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

##### Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

#### b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

#### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.



- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## **5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### **a. Newly Acquired Or Constructed Property**

#### **(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## **(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## **(3) Period Of Coverage**

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.



Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

**(3) Coverage under this Extension:**

- (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
  - (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100  
– 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:  
\$59,850 + \$80,000 = \$139,850

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

#### **5. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **6. Vacancy**

##### **a. Description Of Terms**

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

##### **b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

#### **7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

#### F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 100,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

#### Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 200,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).



- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	\$ 20,000
		<u>\$ 50,000</u>

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

**3. Covered Causes Of Loss, Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**4. Additional Limitation – Interruption Of Computer Operations**

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**5. Additional Coverages**

**a. Civil Authority**

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

## 6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;

- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

#### **B. Limits Of Insurance**

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

#### **C. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### **1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### **2. Duties In The Event Of Loss**

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.



### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3):** Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### **Example 1 (Underinsurance)**

**When:** The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 150,000  
The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### **Example 2 (Adequate Insurance)**

**When:** The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 200,000  
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

#### **E. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

##### **1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When: The Limit of Insurance is: \$ 120,000  
 The fraction shown in the Declarations for this Optional Coverage is: 1/4  
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 (\$120,000 x 1/4 = \$30,000)  
 If, in this example, the actual amount of loss is:

Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<u>\$ 90,000</u>

We will pay:

Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ 30,000
	<u>\$ 80,000</u>

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

### Example

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000  
 Step (1):  $\$100,000 \div \$200,000 = .50$   
 Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.



## **F. Definitions**

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. "Period of restoration" means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- b. Continuing normal operating expenses incurred in connection with that premises, including:

- (1) Payroll; and

- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or

- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

## **I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:
1. We will not pay for loss or damage arising out of any act committed:
    - a. By or at the direction of any insured; and
    - b. With the intent to cause a loss.
  2. However, this exclusion will not apply to deny coverage to an innocent co-insured, provided the loss:
    - a. Is otherwise covered under this Coverage Part; and
    - b. Arose out of an act of family violence by an insured against whom a family violence complaint is brought for such act.
  3. If we pay a claim pursuant to Paragraph **B.2.**, our payment to the insured is limited to that insured's legal interest in the property less any payments we first made to a mortgageholder or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.
- C.** The following explanation is added with respect to application of the Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria and the Limited Coverage of the same title:
- With respect to the portion of Covered Property that would still have required repair or replacement had there been no "fungus", wet or dry rot or bacteria, this Exclusion and Limited Coverage will not serve to limit the amount of recovery for such repair or replacement.
- However, the Exclusion and Limited Coverage shall continue to apply to:
1. The cost to treat, contain, remove or dispose of "fungus", wet rot, dry rot or bacteria beyond that which is required to repair or replace Covered Property;
  2. The cost of testing as described in the Limited Coverage; and
  3. Any increase in loss under Business Income and/or Extra Expense Forms resulting from 1. or 2. above.
- Regardless of whether the Exclusion and Limited Coverage apply to a loss, the Limit of Insurance on Covered Property is not increased. The maximum recoverable, for the total of the cost to repair or replace Covered Property and any additional covered cost to treat, contain, remove, dispose of or test for "fungus", wet or dry rot or bacteria, is the applicable Limit of Insurance on the affected Covered Property.

**D.** This Paragraph, D., applies to the following:

**BUILDING AND PERSONAL PROPERTY  
COVERAGE FORM**

**CONDOMINIUM ASSOCIATION COVERAGE  
FORM**

**CONDOMINIUM COMMERCIAL UNIT OWNERS  
COVERAGE FORM**

**BUILDERS RISK COVERAGE FORM**

**STANDARD PROPERTY POLICY**

Paragraph a. of the **Loss Payment** Condition is replaced by the following:

a. In the event of loss or damage covered by this Coverage Form, at our option we will either:

- (1) Repair, rebuild or replace the property with other property of like kind and quality, or pay the cost of such repair, rebuilding or replacement, as limited by Paragraph b. of this Loss Payment Condition and any other applicable policy provisions, such as the Limit of Insurance provision, the Valuation Condition or any provision which amends or supersedes the Valuation Condition; or

- (2) Take all or any part of the property at an agreed or appraised value.

With respect to Paragraph a.(1), this policy covers only the cost of repair, rebuilding or replacement. Such cost does not include recovery of, and therefore this policy does not pay any compensation for, an actual or perceived reduction in the market value of any property. But if the property that has sustained loss or damage is subject to an endorsement which explicitly addresses market value, then that endorsement will apply to such property in accordance with its terms.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS' RISK COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### SCHEDULE \*

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
001	001	\$5,000	(2)
001	002	\$5,000	(2)
001	003	\$5,000	(2)
001	004	\$5,000	(2)
001	005	\$5,000	(2)
001	006	\$5,000	(2)

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm or Hail and Theft
- (5) Windstorm or Hail
- (6) Theft

The following is added to the DEDUCTIBLE section:

- A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****MULTIPLE DEDUCTIBLE FORM****(FIXED DOLLAR DEDUCTIBLES)**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY  
 TOBACCO SALES WAREHOUSES COVERAGE FORM

**SCHEDULE \***

The Deductibles applicable to any one occurrence are shown below:

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Deductible</b>	<b>Covered Causes of Loss **</b>
001	007	\$5,000	(2)
001	008	\$5,000	(2)
001	009	\$5,000	(2)
001	010	\$5,000	(2)
001	011	\$5,000	(2)
001	012	\$5,000	(2)

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm or Hail and Theft
- (5) Windstorm or Hail
- (6) Theft

The following is added to the DEDUCTIBLE section:

- A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS' RISK COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### SCHEDULE \*

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
001	013	\$5,000	(2)
001	014	\$5,000	(2)
001	015	\$5,000	(2)
001	016	\$5,000	(2)
001	017	\$5,000	(2)
001	018	\$5,000	(2)

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm or Hail and Theft
- (5) Windstorm or Hail
- (6) Theft

The following is added to the DEDUCTIBLE section:

- A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****MULTIPLE DEDUCTIBLE FORM****(FIXED DOLLAR DEDUCTIBLES)**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY  
 TOBACCO SALES WAREHOUSES COVERAGE FORM

**SCHEDULE \***

The Deductibles applicable to any one occurrence are shown below:

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Deductible</b>	<b>Covered Causes of Loss **</b>
001	019	\$5,000	(2)
002	001	\$5,000	(2)

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm or Hail and Theft
- (5) Windstorm or Hail
- (6) Theft

The following is added to the DEDUCTIBLE section:

- A. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****NAMED STORM PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

**SCHEDULE**

Premises Number	Building Number	Named Storm Deductible Percentage - Enter 1%, 2% Or 5%
ALL	ALL	2%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A Named Storm is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service (hereafter referred to as NHC and CPHC). Under the terms of this endorsement, a Named Storm begins at the time a Watch or Warning is issued by the NHC or CPHC for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC or CPHC.

The Named Storm Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by each Named Storm. If there is covered loss or damage from a windstorm that is not a Named Storm, the applicable deductible is the same deductible that applies to Fire, unless a different deductible is stated elsewhere in this policy for such loss or damage.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

## **NAMED STORM DEDUCTIBLE CALCULATIONS**

### **A. Calculation Of The Deductible - All Policies**

1. A Deductible is calculated separately for, and applies separately to:
  - a. Each building that sustains loss or damage;
  - b. The personal property at each building at which there is loss or damage to personal property; and
  - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

### **B. Calculation Of The Deductible - Specific Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

### **C. Calculation Of The Deductible - Blanket Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

### **D. Calculation Of The Deductible - Builders' Risk Insurance**

#### **1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

#### **2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

#### **Examples - Application Of Deductible**

##### **Example 1 - Specific Insurance (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1):  $\$70,000 \div \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 1\% = \$700$

Step (4):  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

##### **Example 2 - Specific Insurance (B.1.)**

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

##### **Building**

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

##### **Personal Property**

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

##### **Example 3 - Blanket Insurance (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

##### **Building 1**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

##### **Building 2**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss that is not covered due to application of the Deductible is \$20,000.

##### **Example 4 - Blanket Insurance (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

**Building**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

**Personal Property**

Step (1):  $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.



## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".



This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- i. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, i., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

**a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a. Ordinance Or Law;
  - (b) Paragraph B.1.c. Governmental Action;
  - (c) Paragraph B.1.d. Nuclear Hazard;
  - (d) Paragraph B.1.e. Utility Services; and
  - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (I) Your assumption of liability was executed prior to the accident; and
- (II) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
  - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
    - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
    - (2) Changes in or extremes of temperature;
    - (3) Disease;
    - (4) Frost or hail; or
    - (5) Rain, snow, ice or sleet.
  2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
    - a. Animals, and then only if they are killed or their destruction is made necessary.
    - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      - (1) Glass; or
      - (2) Containers of property held for sale.
    - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

      - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
      - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in 2.a. or 2.b.;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;



- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

(1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## **F. Additional Coverage Extensions**

### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### **3. Glass**

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension F.3. does not increase the Limit of Insurance.

#### **G. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### **c. Water damage means:**

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****FOOD CONTAMINATION  
(BUSINESS INTERRUPTION AND EXTRA EXPENSE)**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

**SCHEDULE**

<b>Premises Number:</b> 001	<b>Building Number:</b> 001
<b>Description Of Business:</b> Club (Business Income Other Than Rental Value)	
<b>Food Contamination Limit Of Insurance (Annual Aggregate Limit):</b> \$25,000	<b>Additional Advertising Expense Limit Of Insurance (Annual Aggregate Limit):</b> \$25,000
<b>Premises Number:</b>	<b>Building Number:</b>
<b>Description Of Business:</b>	
<b>Food Contamination Limit Of Insurance (Annual Aggregate Limit):</b>	<b>Additional Advertising Expense Limit Of Insurance (Annual Aggregate Limit):</b>
<b>Premises Number:</b>	<b>Building Number:</b>
<b>Description Of Business:</b>	
<b>Food Contamination Limit Of Insurance (Annual Aggregate Limit):</b>	<b>Additional Advertising Expense Limit Of Insurance (Annual Aggregate Limit):</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. The following is added to Additional Coverages:**

**Food Contamination**

1. If the business described in the Schedule is ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination", we will pay:
  - a. Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - b. Your cost to replace the food which is, or is suspected to be, contaminated;
  - c. Your expense to provide necessary medical tests or vaccinations for your employees (including temporary and leased employees) who are potentially infected by the "food contamination". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - d. The loss of Business Income you sustain due to the necessary "suspension" of your "operations" as a result of the "food contamination". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - e. Additional advertising expenses you incur to restore your reputation.
2. Subject to Paragraph 3., the most we will pay for the total of all loss and expense under Paragraphs 1.a. through 1.d. is the Food Contamination Limit Of Insurance indicated in the Schedule.

Subject to Paragraph 3., the most we will pay for all expense under Paragraph 1.e. is the Additional Advertising Expense Limit Of Insurance indicated in the Schedule.

3. The applicable Limit is an annual aggregate limit and as such is the most we will pay for the total of all covered loss and expense caused by all occurrences in a 12-month period (starting with the beginning of the present annual policy period), regardless of the number of occurrences during that period of time. Thus, if the first occurrence does not exhaust the applicable Limit, then the balance of that Limit is available for a subsequent occurrence. If an occurrence begins during one annual policy period and ends during the following annual policy period, any Limit applicable to the following annual policy period will not apply to that occurrence.
  4. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination" at the described premises.
  5. With respect to the coverage provided under this endorsement, any exclusion of virus or bacteria in this policy does not apply.
- B. For the purposes of this endorsement, "food contamination" means an outbreak of food poisoning or food-related illness of one or more persons arising out of:**
1. Tainted food you distributed or purchased;
  2. Food which has been improperly processed, stored, handled or prepared in the course of your business operations; or
  3. Food which has been contaminated by virus or bacteria transmitted through one or more of your employees, including temporary and leased employees.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****UTILITY SERVICES - TIME ELEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM**SCHEDULE**

Premises Number	Building Number	Utility Services Limit Of Insurance	Enter "X" for each applicable property.					
			Water Supply Property	Waste-water Removal Property	Communication Supply Property (including overhead transmission lines)	Communication Supply Property (not including overhead transmission lines)	Power Supply Property (including overhead transmission lines)	Power Supply Property (not including overhead transmission lines)
001	001	\$25,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Causes Of Loss Form Applicable:</b> Special Form Including Theft								
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Causes Of Loss Form Applicable:</b>								
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Causes Of Loss Form Applicable:</b>								
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.								

#### **A. Coverage**

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as provided under the applicable Causes of Loss Form indicated in the Schedule) to the property described in Paragraph C. if such property is indicated by an "X" in the Schedule.

#### **B. Exception**

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

#### **C. Utility Services**

1. Water Supply Property, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- a. Communication transmission lines, including optic fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

4. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

- D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- E. The **Coinsurance** Additional Condition does not apply to this endorsement.

- F. The Utility Services Limit Of Insurance, as shown in the Schedule, is the only Limit which applies to the coverage provided under this endorsement, and is part of, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the described premises.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME CHANGES - BEGINNING OF THE PERIOD OF RESTORATION**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

### **SCHEDULE**

Loc:001 Bld:001

Business Income Other Than Rental Value

Select Either A. Or B.

A. ☒ 72-Hour Time Period Is Replaced By 24 Hours

B. ☐ 72-Hour Time Period Is Eliminated

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** If the Schedule indicates that the 72-hour time period is replaced by 24 hours, then:

1. The 72-hour time period in the definition of "period of restoration" is replaced by 24 hours. Therefore, the period of restoration for Business Income Coverage begins 24 hours after the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is replaced by 24 hours. Therefore, coverage under the Additional Coverage - Civil Authority begins 24 hours after the time of action of civil authority, subject to all other provisions of that Additional Coverage.

**B.** If the Schedule indicates that the 72-hour time period is eliminated, then:

1. The 72-hour time period in the definition of "period of restoration" is deleted. Therefore, the period of restoration for Business Income Coverage begins at the time of direct physical loss or damage, subject to all other provisions of the definition of "period of restoration"; and
2. The 72-hour time period in the Civil Authority Additional Coverage is deleted. Therefore, coverage under the Additional Coverage - Civil Authority begins at the time of action of civil authority, subject to all other provisions of that Additional Coverage.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- BROAD FORM  
CAUSES OF LOSS-- SPECIAL FORM

**A.** The following is added as an Additional Coverage to the Causes of Loss - Basic Form, Broad Form or Special Form.

### **Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in a "schedule," the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

#### **a. Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a "schedule."

#### **b. Hazardous Substances**

We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a "schedule."

**c. Spoilage**

**(1) We will pay:**

- (a)** For physical damage to "perishable goods" due to spoilage;
- (b)** For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c)** Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2)** If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a "schedule."

**d. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost "data."

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a "schedule."

**e. Service Interruption**

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2)** Unless otherwise shown in a "schedule," Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident." If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the applicable deductible will apply.
- (3)** The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**f. "Fungus," Wet Rot, Dry Rot And Bacteria**

- (1)** We will pay your additional cost to repair or replace Covered Property because of contamination by "fungus," wet rot, dry rot or bacteria resulting from an "accident." This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is "perishable goods" to the extent that such spoilage is covered under Spoilage coverage.
- (2)** As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus," wet rot, dry rot or bacteria been involved.
- (3)** We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus," wet rot, dry rot or bacteria.
- (4)** This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5)** The most we will pay in any "one accident" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 unless otherwise shown in a "schedule" even if the "fungus," wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.



### **g. Business Income and Extra Expense**

Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a "schedule," then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident," and the deductible shown in the "schedule" will apply. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a "schedule."

### **3. Exclusions**

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

#### **a. The following exclusions are modified:**

- (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion **B.2.**:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

- (2) The following is added to Exclusion **B.1.g.**:

However, if electrical "covered equipment" requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

- (3) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

#### **b. The following exclusions are added:**

- (1) We will not pay for loss, damage or expense caused by or resulting from:

(a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(b) Any of the following:

(i) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

(ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

- (2) With respect to Service Interruption and "Fungus," Wet Rot, Dry Rot And Bacteria coverages, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

- (4) Except as specifically provided under **A.2.f.** "Fungus," Wet Rot, Dry Rot And Bacteria coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any "fungus," wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus," wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus," wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that such spoilage is covered under Spoilage coverage.

- (5) We will not pay for any loss or damage to animals.



#### 4. Definitions

The following definitions are added:

**a. "Boilers and vessels" means:**

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule."

**b. "Covered equipment"**

- (1) "Covered equipment" means, unless otherwise specified in a "schedule," Covered Property:

- (a) That generates, transmits or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- (2) None of the following is "covered equipment":

- (a) Structure, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment; or
- (h) Equipment manufactured by you for sale.

**c. "Data" means information or instructions stored in digital code capable of being processed by machinery.**

**d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.**

**e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.**

**f. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."**

**g. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.**

**h. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.**

This term does not appear elsewhere in this endorsement, but may appear in a "schedule."

**i. "Schedule" means the Equipment Breakdown Coverage Schedule.**

**j. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.**

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

- B.** The Building and Personal Property Coverage Form, the Condominium Association Coverage Form, and the Condominium Commercial Unit-Owners Coverage Form are modified as follows.

The definitions stated above also apply to section **B.** of this endorsement.

**1. Deductible**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule." If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. Deductible** is deleted and replaced with the following:

**a. Deductibles for Each Coverage**

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

**b. Direct and Indirect Coverages**

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule."
- (2) Unless more specifically indicated in the "schedule":
  - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

**c. Application of Deductibles**

**(1) Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

If a time deductible is shown in the "schedule," we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

**(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration." The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

**(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

## **2. Conditions**

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

### **a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

### **b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

### **c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

### **d. Coinsurance**

If a coinsurance percentage is shown in a "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule." Coverage provided under this endorsement does not provide an additional amount of insurance.

# **NOTICE TO POLICYHOLDERS**

## **IMPORTANT INFORMATION**

### **JURISDICTIONAL INSPECTION SERVICES**

**Recipient: Please share this Notice with the individual responsible for care and maintenance of the equipment described below (building superintendent, maintenance manager, etc.)**

A number of jurisdictions throughout the United States require periodic inspections of certain equipment including but not limited to boilers, water heaters, pressure vessels, etc. Upon inspection, these jurisdictions may require the issuance or renewal of a certificate permitting operation of the equipment. In most cases, licensed insurance company employees have provided this service as part of your insurance policy.

If:

- You own or operate equipment that requires a certificate from the State or City to operate legally; or
- You are unsure of your requirement to provide such certification; and
- We insure that equipment under this Policy; and
- You would like us to perform the next required inspection:

New York Marine And General Insurance Company has partnered with Hartford Steam Boiler, the leading provider of Equipment Breakdown Insurance and Inspection Services, to provide the necessary inspection and certification services to you on our behalf.

You can contact Hartford Steam Boiler's Hotline by phone, fax or e-mail at:

- Phone: 800-333-4677
- FAX: 484-582-1811
- E-Mail: NSCinsp\_hotline@hsb.com

Please include the following information in your e-mail or fax or, should you call, have this information ready to give the Inspection Hotline representative:

- Location Name
- Location Address
- Policy Period
- Contact name and phone number
- Your policy reference number, which is **1002857**.

**Your jurisdiction(s) may charge you a fee for renewing a certificate.**  
**It is your responsibility to pay such a fee.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DELUXE COMMERCIAL PROPERTY COVERAGE EXTENSION**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Forms apply unless modified by the endorsement.

The Limits of Insurance are provided for the Additional Coverages shown in the Schedules **A** and **B** below:

### **SCHEDULE A – BLANKET COVERED PROPERTY**

**Blanket Limit Of Insurance – \$500,000**

#### **Coverages:**

<b>Accounts Receivable</b>	<b>Loss Of Master Key</b>
<b>Claim Expenses</b>	<b>Leasehold Interest – Undamaged Tenant's Improvements and Betterments</b>
<b>Electronic Data Processing Property</b>	<b>Non-owned Detached Trailers</b>
<b>Fine Arts</b>	<b>Outdoor Property</b>
<b>Fire Department Service Charges</b>	<b>Personal Effects And Property Of Others</b>
<b>Fire Equipment Recharge</b>	<b>Valuable Papers And Records (Other Than Electronic Data)</b>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Blanket Limit of Insurance shown above applies to all Coverages shown above and outlined in **Section A.1., Schedule A – Blanket Covered Property** of this endorsement. Unless otherwise stated, this Blanket Limit of Insurance applies separately at each premise shown in the declaration. This Blanket Limit of Insurance does not apply to premises listed in the Declarations as Any Other Location.

At the time of a covered loss, the first Named Insured may elect to proportion this Blanket Limit of Insurance to one or any combination of the applicable Coverages shown, but under no circumstance will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above at any one covered premises.

## SCHEDULE B – SCHEDULED COVERED PROPERTY

Coverage	Limit Of Insurance
Arson Reward	\$ 25,000
Back Up Or Overflow Of Water From A Sewer, Drain Or Sump	\$ 25,000
Debris Removal	\$ 25,000
Deferred Payments	\$ 25,000
Electronic Data	\$ 25,000
Exhibition, Fair Or Trade Show	\$ 50,000
Extra Expense Or Expediting Expense	\$ 50,000
False Pretense	\$ 10,000
Installation On Job Site	\$ 25,000
Loss Prevention Expense	\$ 10,000
Miscellaneous Unnamed Locations	\$ 50,000
Mobile Equipment	\$ 25,000
Newly Acquired Or Constructed Property: Buildings	\$ 1,000,000
Your Business Personal Property	\$ 500,000
Ordinance Or Law Coverage:	
Coverage A – Loss To The Undamaged Portion Of The Building	Included In Building
Coverage B – Demolition Cost Coverage	\$ 100,000
Coverage C – Increased Cost Of Construction	Blanket B & C
Pollutant Clean Up And Removal	\$ 15,000
Processing Water	\$ 10,000
Property In Transit - Worldwide	\$ 50,000
Property Of Others You Transport	\$ 25,000
Property Off-premises – Worldwide	\$ 50,000
Salespersons' Samples	\$ 25,000
Signs	\$ 10,000
Spillage – Including Breakdown or Contamination	\$ 25,000
Theft Damage To Rented Premises	\$ 25,000
Utility Services Direct Damage	\$ 25,000

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

## **SCHEDULE C – COVERAGE EXTENSIONS**

### **Coverages:**

**1000 Feet Extension**

**Consequential Damage**

**Awnings And Canopies – Permanently Attached**

**Deductible Enhancement**

**Brands And Labels**

**Property Not Covered**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

You may purchase increased Limits of Insurance, and we will charge you an additional premium. If you purchase increased Limits of Insurance for any of the above referenced Coverages or if specific coverage is provided elsewhere in this policy, the Limit of Insurance shown in the Declarations or on the specific coverage endorsement, whichever is greater, will reflect your total Limit of Insurance.

These special coverages are not subject to the Coinsurance condition, but are subject to all other policy terms and conditions.

### **A. Coverages**

#### **1. Schedule A – Blanket Covered Property**

##### **a. Accounts Receivable**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to accounts receivable.

We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to reestablish your records of accounts receivable that result from the Covered Causes of Loss to your records of accounts receivable within the premises shown in the Declarations.

We will not pay for loss or damage:

- (1) Caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (2) Caused by or resulting from alteration, falsification, concealment or destruction of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property;
- (3) Caused by or resulting from unauthorized instructions to transfer property to any person or to any place; or
- (4) That requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the applicable Limit of Insurance for Accounts Receivable shown in the Schedule.

**b. Claim Expenses**

The following provision is added to paragraph **A.4. Additional Coverages** in the Building and Personal Property Coverage Form:

In the event of a covered loss or damage, we will pay for all reasonable expenses you incur at our request to assist us in:

- (1) The investigation of a claim or suit; or
- (2) The determination of the amount of loss, such as taking inventory.

However, we will not pay for:

- (1) Expenses to prove that loss or damage is covered;
- (2) Expenses incurred under the Appraisal Loss Condition;
- (3) Expenses incurred for examinations under oath, if ever required by us; or
- (4) Public adjusters' fees.

The most we will pay under this Additional Coverage for all expenses in any one occurrence is the Limit of Insurance for Claim Expenses shown in the Schedule.

No deductible applies to this Additional Coverage.

**c. Electronic Data Processing Property**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to electronic data processing property.

We will pay for direct physical loss or damage to your "electronic data processing property" caused by or resulting from any Covered Cause of Loss. The loss must occur at, or within 1,000 feet of the premises described in the Declarations.

- (1) "Electronic Data Processing Property" means:
  - (a) "Electronic data processing equipment";
  - (b) "Electronic data processing media"; and
  - (c) "Telephone equipment".
- (2) "Electronic Data Processing Equipment" means:
  - (a) Data processing systems;
  - (b) Electronic systems consisting of separately identifiable and removable component memory or control boxes that are attached to and control production machinery, but not the production machinery itself; and
  - (c) Equipment, component parts and related peripheral equipment, including air conditioning and fire protection equipment used solely for data processing operations.
- (3) "Electronic Data Processing Equipment" does not mean:
  - (a) Systems, equipment or parts held for sale or distribution;
  - (b) Systems, equipment or parts that have been sold;
  - (c) Systems, equipment or parts in the course of manufacture; or
  - (d) "Telephone equipment".
- (4) "Electronic Data Processing Media" means:
  - (a) Punch cards, tapes, discs, diskettes, drums, cells;
  - (b) Other magnetic or optical recording or storage devices;
  - (c) Any software, data, or other information recorded on such media; and
  - (d) Any original source material used to enter or program such information.



(5) "Electronic Data Processing Media" does not mean:

- (a) Media held for sale or distribution;
- (b) Media that has been sold; or
- (c) "Telephone equipment".

(6) "Telephone equipment" means telephone systems and their component parts you own or that are in your care, custody or control. "Telephone equipment" does not mean telephone systems or their component parts for sale or sold.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Electronic Data Processing Property shown in the Schedule.

**d. Fine Arts**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to "fine arts".

We will pay for direct physical loss damage to "fine arts" from any of the Covered Causes of Loss. The loss or damage must occur at, or within 1,000 feet of the premises described in the Declarations. The "fine arts" must be your property or the property of others that is in your care, custody or control.

- (1) "Fine arts" means paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, art glass windows, rare glass, bronzes, antique silver, statuary, potteries, porcelains, marble, other bona fide works of art and other items of rarity or historical value.
- (2) We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching of the "fine arts".
- (3) "Fine arts" are valued based on their "market value" at immediately before the time of loss or damage. With respect to "fine arts" not owned by you, we will not pay more than the amount for which you are contractually liable. "Market value" is the price for which the "fine arts" might be expected to realize if offered for sale in a fair market on the date of loss or damage.
- (4) For partial losses, including losses to articles that are part of a pair or set, we will pay:
  - (a) The reasonable cost necessary to restore the article, pair or set to its condition immediately before the loss.
  - (b) If we agree that such restoration cannot fully restore the article, pair or set to its condition just before the loss, we will pay the difference between the article's "market value" immediately before and after the loss. We will pay this amount in addition to the cost incurred in attempting to restore the article.
- (5) For total losses, we will pay the "market value" of the article, pair or set immediately before the loss.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Fine Arts shown in the Schedule.

**e. Fire Department Service Charges**

The additional limit of \$1,000 for **Fire Department Service Charges** shown in paragraph **A.4.c.** of the **Additional Coverages** provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Fire Department Service Charges shown in the Schedule.

**f. Fire Equipment Recharge**

The following provision is added to paragraph **A.4. Additional Coverages** in the Building and Personal Property Coverage Form:

We will pay expenses you incur to recharge your automatic fire protection equipment that was discharged:

- (1) To fight a fire; or
- (2) As the result of any Covered Cause of Loss.

The most we will pay under this Additional Coverage for expenses in any one occurrence is the Limit of Insurance for Fire Equipment Recharge shown in the Schedule.

No deductible applies to this Additional Coverage.

**g. Leasehold Interest – Undamaged Tenant's Improvements and Betterments**

The following provision is added to paragraph A.4. Additional Coverages in the Building and Personal Property Coverage form:

We will pay for loss of Covered Leasehold Interest you sustain due to cancellation of your lease by the lessor. The cancellation must result from direct physical loss of or damage to property at premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

- (1) The following additional conditions must apply:
  - (a) The lease cancellation is supported by a valid condition of your lease
  - (b) You have at least six months remaining in your lease; and
  - (c) At least 25% of the building is damaged or at least six months is required to repair the building for your occupancy.
- (2) We will not pay under this Additional Coverage, if the premises where the lease is cancelled has been vacant for more than 60 consecutive days prior to the loss or damage.
- (3) Covered Leasehold Interest means the following for each lease of real property in which you are the tenant:

The unamortized portion of the amount paid by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance.

Improvements and betterments are fixtures, alterations, installations or additions:

- (a) Made a part of the building or structure you occupy, but do not own; and
- (b) You acquired or made at your expense, but can legally remove.

The most we will pay under this Additional Coverage in any one occurrence is the Leasehold Interest Limit of Insurance shown in the Schedule.

**h. Loss Of Master Key**

The following provision is added to paragraph A.5. Coverage Extensions in the Building And Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss of master key. We will pay for reasonable and necessary costs you incur to:

- (1) Replace keys;
- (2) Adjust locks to accept new keys; or
- (3) If required, install new locks;

due to the direct physical loss or damage to a master key or grand master key caused by or resulting from a cause of loss not otherwise excluded, not to exceed the Limit of Insurance for Loss Of Master Key shown in the Schedule.

**i. Non-owned Detached Trailers**

The additional limit of \$5,000 for **Non-owned Detached Trailers** shown in paragraph A.5.f. of the Coverage Extensions provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Non-owned Detached Trailers shown in the Schedule.

**j. Outdoor Property**

The additional limit of \$1,000 for **Outdoor Property** shown in paragraph **A.5.e.** of the **Coverage Extensions** provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Outdoor Property shown in the Schedule, but we will not pay more than \$1,000 for any one tree, shrub or plant.

**k. Personal Effects And Property Of Others**

Paragraph **A.5.b.** of the **Coverage Extensions** provision in the Building And Personal Property Coverage Form is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners, or your employees. "Personal effects" includes tools owned by your employees that are used in your business.
- (2) Personal property of others that is in your care, custody or control.

Our payment for loss or damage under this extension at each described premises is the Limit of Insurance for Personal Effects And Property Of Others shown in the Schedule.

**l. Valuable Papers And Records – (Other Than Electronic Data)**

The additional limit of \$2,500 for **Valuable Papers And Records (Other Than Electronic Data)** shown in paragraph **A.5.c.** of the **Coverage Extensions** provision in the Building and Personal Property Coverage Form is increased to the Limit of Insurance for Valuable Papers and records shown in the Schedule.

Under this Extension, "valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages. But, valuable papers and records does not mean "money" or "securities", electronic data or accounts receivable.

Coverage under this Extension is extended to apply to loss or damage to "valuable papers and records" that are your property or the property of others in your care, custody or control. It is further extended to "valuable papers and records" while off premises. The most we will pay in any one occurrence for "valuable papers and records" (Other Than Electronic Data) while off-premise is \$25,000.

"Valuable papers and records" not owned by you are valued on the same basis as your "valuable papers and records", but we will not pay more than the amount for which you are contractually liable.

**2. Schedule B – Scheduled Covered Property**

**a. Arson Award**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

If this policy covers your Building or Your Business Personal Property, you may extend that insurance to apply to arson award. We will pay an award up to the Limit of Insurance provided in the Schedule for information that leads to a conviction for arson resulting in a fire loss covered under this policy or for the theft of Covered Property. You must obtain prior written approval from us concerning the terms and the amount of the award.

**b. Back Up or Overflow of Water From A Sewer, Drain or Sump**

Exclusion **B.1.g.(3)** in the Causes of Loss – Special Form, applicable to water that backs up or overflows from a sewer, drain or sump, does not apply, unless such back up is caused by or the result of a flood to a location in **Special Flood Hazard Areas (SFHA)** as defined by the **Federal Emergency Management Agency**. (SFHA Zones include A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V)

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Back Up or Overflow of Water from a Sewer, Drain or Sump shown in the Schedule.

**c. Debris Removal**

The additional limit of \$10,000 for **Debris Removal** shown in paragraph **A.4.a.** of the **Additional Coverages** provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Debris Removal shown in the Schedule.

**d. Deferred Payments**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to deferred payments. We will pay for your interest in covered personal property that suffers direct physical loss or damage caused by or resulting from a Covered Cause of Loss after it is sold by you under a conditional sale or trust agreement or any installment or deferred payment plan:

- (1) While such property is in transit to buyers; or
- (2) After delivery to buyers.

Your interest means the unpaid balance owed to you for that property.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Deferred Payments shown in the Schedule.

This Coverage Extension does not apply to buyer default on such agreement or plan.

**e. Electronic Data**

The additional limit of \$2,500. for **Electronic Data** shown in paragraph **A.4.f.** of the **Additional Coverages** provision in the Building and Personal Property Coverage Form is increased to the Limit of Insurance for Electronic Data shown in the Schedule.

**f. Exhibition, Fair Or Trade Show**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to exhibition, fair or trade show. We will pay for direct physical loss or damage to Covered Property caused by or resulting from any Covered Cause of Loss while temporarily on public display at any exhibition, fair or trade show within the United States of America (including its territories and possessions), Puerto Rico or Canada.

- (1) Covered Property, as used in this Additional Coverage, means Your Business Personal Property and personal property of others that is in your care, custody or control. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- (2) This Additional Coverage does not apply to:
  - (a) "Electronic data processing property", as defined in this endorsement;
  - (b) Property in transit to or from any exhibition, fair or trade show;
  - (c) "Fine arts" as defined in this endorsement; or
  - (d) "Valuable papers and records" as defined in this endorsement.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Exhibition, Fair or Trade Show shown in the Schedule

**g. Extra Expense Or Expediting Expense**

The following provision is added to paragraph **A.4. Additional Coverages** in the Building and Personal Property Coverage Form:

We will pay the extra expense you necessarily incur to continue or resume your normal business operations from direct physical loss or damage to covered property. We will pay only that part of the total expense that exceeds the amount which ordinarily would have been incurred to conduct your business. We will not be liable for any longer period of time than is necessarily required to rebuild, repair or replace the damaged property. This period of time is limited to 30 days from the date of loss.

We will also pay the reasonable cost you incur to expedite repairs to covered property. This includes payment of overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Extra Expense Or Expediting Expense shown in the Schedule.

#### **h. False Pretense**

- (1) You may extend the insurance that applies to Your Business Personal property to cover loss or damage to Covered Property when you or your agents, consignees or customers voluntarily part with the Covered property due to:
  - (a) Having accepted false bills of lading or shipping receipts; or
  - (b) Someone causing you to voluntarily part with the Covered Property by trick, scheme, device or false pretense.
- (2) Under the Causes Of Loss Special Form, Subparagraph 2.I. of Section B. Exclusions is deleted.
- (3) We will not pay for:
  - (a) Loss or damage to Covered Property when the person committing the wrongful act is an "employee"; and
  - (b) Any loss covered under the Money Orders And Counterfeit Money or Computer Fraud Additional Coverage.
- (4) The most we will pay under this Extension for loss or damage in any one occurrence is the False Pretense Limit of Insurance shown in the Schedule.

#### **i. Installation On Job Site**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

If this policy covers Your Business Personal Property including "Stock", you may extend that insurance to apply to installation on job site. We will pay for direct physical loss of or damage to Your Business Personal Property that is "stock" that you have sold under an installation agreement, caused by or resulting from any Covered Cause of Loss while such property is:

- (1) At a job site or temporarily warehoused elsewhere:
    - (a) Awaiting and during installation;
    - (b) Awaiting and during tests; or
    - (c) Awaiting acceptance by the buyer; or
  - (2) In transit to or from such job site or temporary warehouse.
- This Additional Coverage applies to covered "stock" located within the United States of America (including its territories and possessions), Puerto Rico and Canada.
- (3) We will not pay for any loss or damage to:
    - (a) "Stock" not part of or destined to become part of the installation; or
    - (b) Tools, materials, supplies, fixtures or any other property other than property that you have sold and are contractually obligated to install.
  - (4) The insurance provide by this Additional Coverage ends when one of the following first occurs:
    - (a) This policy expires or is cancelled;
    - (b) The property is accepted by the purchaser;
    - (c) The property is put to use for its intended purpose;
    - (d) Your interest in the property ceases; or
    - (e) You abandon the installation with no intent to complete it.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Installation On Job Site shown in the Schedule.

**j. Loss Prevention Expense**

The following provision is added to paragraph **A.4. Additional Coverages** in the Building and Personal Property Coverage Form:

We will pay the reasonable and necessary costs you incur to protect:

- (1) Building; or
- (2) Personal Property;

at the premises shown in the Declarations from imminent direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Loss Prevention Expenses shown in the Schedule.

To the extent possible, you must notify us of your intent to incur such cost before you take any loss prevention action.

In any event, you must notify us with 48 hours after you have taken any loss prevention action.

**k. Miscellaneous Unnamed Locations**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

We will pay for direct physical loss of or damage to your interest in Covered Property at any unnamed location you own, lease or operate within the United States of America (including its territories and possessions), Puerto Rico or Canada. An "unnamed location" is a location other than the premises described in the Declarations.

This Additional Coverage does not apply to:

- (1) Property in the care, custody or control of your salespersons;
- (2) Property while at any exhibition, fair or trade show;
- (3) "Electronic data processing property" as defined in this endorsement;
- (4) "Fine arts" as defined in this endorsement;
- (5) Property while in transit;
- (6) Newly Acquired or Constructed Property that is covered under the **Scheduled Covered Property** section of this endorsement; or
- (7) "Valuable papers and records" as defined in this endorsement.

The Deductible shown in the Declarations applies to this Additional Coverage.

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Miscellaneous Unnamed Locations shown in the Schedule.

**l. Mobile Equipment**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss of Mobile Equipment. We will pay for direct physical loss or damage to your owned and rented mobile equipment, including forklifts, lawn mowers, electric carts, tractors and similar vehicles.

This Additional Coverage does not apply to mobile equipment licensed for use on public roads or insured elsewhere.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance shown in the Schedule.

**m. Newly Acquired Or Constructed Property**

The following changes modify paragraph **A.5.a.** of the **Coverage Extensions** provision in the Building And Personal Property Coverage Form:

- (1) The additional limits shown for Newly Acquired Or Constructed Property are deleted; and
- (2) The time shown in paragraph (3)(b) is increased from 30 days to 180 days.

The most we will pay under this Coverage Extension for loss and damage in any one occurrence at each building is the Limit of Insurance for Newly Acquired Or Constructed Property shown in the Schedule.

**n. Ordinance or Law Coverage**

The following provision is added to **Section A.4. Additional Coverages** in the Building And Personal Property Coverage Form. In addition, paragraph **4.e. Increased Cost Of Construction** is replaced as set forth by **Coverage C** below:

**(1) Coverage A – Loss To The Undamaged Portion Of The Building**

In the event of damage by a Covered Cause of Loss to a Building that is Covered Property, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the Covered Building Property. Coverage A does not increase the Limit of Insurance.

**(2) Coverage B – Demolition Cost Coverage**

In the event of damage by a Covered Cause of Loss to a Building that is a Covered Property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The **Coinsurance Additional Condition** in the Building And Personal Property Coverage Form does not apply to Demolition Cost Coverage.

**(3) Coverage C – Increased Cost Of Construction Coverage**

In the event of damage by a Covered Cause of Loss to a Building that is a Covered Property, we will pay for the increased cost to:

- (a) Repair or reconstruct damaged portions of that Building Property; and/or
- (b) Reconstruct or remodel undamaged portions of that Building Property, whether or not demolition is required; when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The **Coinsurance Additional Condition** in the Building And Personal Property Coverage Form does not apply to Increased Cost of Construction Coverage.

When Covered Building Property is damaged or destroyed by a Covered Cause of Loss and Coverage C applies to that property in accordance with provision (3) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions as stated in provision (3) above:

- (a) The cost of excavations, grading, backfilling and filling;
- (b) Foundation of the building;
- (c) Pilings; and
- (d) Underground pipes, flues and drains.

The above items (a)-(d) are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

Each Coverage - Coverage A, Coverage B and Coverage C applies only with respect to a Covered Cause of Loss for a Building that is a Covered Property as specified in the Declarations.

For Coverage B and Coverage C combined the most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Coverage B and Coverage C shown in the Schedule under Ordinance Or Law Coverage.

We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**o. Pollutant Clean Up And Removal**

The additional limit of \$10,000 for **Pollutant clean Up And Removal** shown in paragraph **A.4.a.** of the **Additional Coverages** provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Pollutant Clean Up And Removal shown in the Schedule.

**p. Processing Water**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form and applies only to Processing Water to which coverage is afforded:

We will pay the cost you incur to replace water that is used in your processing operations and contained in any:

- (1) Above-ground tank;
- (2) Processing equipment; or
- (3) Any associated above-ground piping;

when such water has been released or rendered unusable for its intended purpose as a direct result of direct physical loss or damage to such tank, equipment, piping caused by or resulting from a Covered Cause of Loss not otherwise excluded, not to exceed the Limit of Insurance for processing water shown in the Schedule.

The loss or damage must occur at a premises shown in the Declarations. The premises coverage does not apply to fire protection equipment.

**q. Property In Transit**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form and applies only to your business personal property to which coverage is afforded.

You may extend the insurance provided by:

- (1) Your Business Personal Property;
- (2) Accounts Receivable;
- (3) Electronic Data Processing Equipment; and
- (4) Exhibition, Fair or Trade Show to apply to that property while in transit more than 100 feet from the described premises. The property is covered only while it is in transit by means of motor vehicle, railroad, or aircraft between points within the United States of America (including its territories and possessions, Puerto Rico or Canada. "In transit" includes ordinary, reasonable, and necessary stops, interruptions, delays or transfers incidental to the route and method of shipment but not while at premises you own, lease or operate.

This Additional Coverage does not apply to:

- (1) Property in the care, custody or control of your salespersons;
- (2) Property shipped by mail;
- (3) Property of others for which you are responsible as a:
  - (a) Carrier for hire; or
  - (b) Car loader, consolidator, broker, freight forwarder, shipping association or other arranger of transportation;



- (4) Property that is covered under any other insurance;
- (5) Loss or damage caused by or resulting from poor or insufficient packaging or packing; or
- (6) Loss or damage that is covered under **Installation On Job Site** provision of this endorsement.

Paragraph F.1. **Property In Transit** of the **Additional Coverage Extensions** provision in the Causes Of Loss – Special Form is deleted.

The following additional conditions apply to this Additional Coverage:

- (1) We will not pay for loss or damage if you impair our rights to recover damages from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts, contracts or transportation, which contain a limitation of value.
- (2) Our payment of loss of or damage to property of others will only be for the account of the owner of the property.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit of Insurance for Property In Transit shown in the Schedule.

**r. Property Of Others You Transport**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

You may extend the insurance that applies to your personal property to apply to property of others transported by you (other than property in the care, custody or control of your salespersons) while in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease, hire or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, Lightning, explosion, windstorm or hail, riot or civil commotion or vandalism;
- (2) Vehicle collision, upset or overturn; or
- (3) Theft of property in transit by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

For purposes of this Additional Coverage, Collision means accidental contact of your vehicle, or a vehicle of a third party carrier that you hire to transport property of others, with another vehicle or object. It does not mean your vehicle's, or the third party carrier vehicle's, contact with the road bed.

The most we will pay under this Additional Coverage in any one occurrence is the Property Of Others Transport Limit of Insurance shown in the Schedule

**s. Property Off-premises – Worldwide**

The additional limit of \$10,000 for **Property Off-premises** shown in paragraph **A.5.d.** of the **Coverage Extensions** provision in the Building And Personal Property Coverage Form is increased to the Limit of Insurance for Property Off-premises shown in the Schedule.

With respect to this **Coverage Extension**, Policy Territory is amended to: Anywhere in the World.

**t. Salespersons Samples**

The following provision is added to paragraph A.5. Coverage Extensions in the Building And Personal Property Coverage Form and applies only to "Salespersons' Samples" to which coverage is afforded.

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to "salesperson's samples". We will pay for direct physical loss or damage to "Salespersons' Samples" caused by or resulting from a Covered Cause of Loss not otherwise excluded, not to exceed the Limit of Insurance for Salespersons' Samples shown in the Schedule.

"Salespersons' samples" means personal property that is in the custody of any one of your salesperson and used only for samples purposes.

**u. Signs**

**Covered Property includes signs.**

The second paragraph of provision **C. Limits Of Insurance** in the Building And Personal Property Coverage Form is replaced with the following:

The most we will pay for loss or damage to each outdoor sign in any one occurrence is the Limit of Insurance shown for Signs in the Schedule.

**v. Spoilage – Includes Breakdown Or Contamination**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building and Personal Property Coverage Form:

- (1) If this policy covers Your Business Personal Property including "stock", you may extend that insurance to loss or damage to your "perishable stock" caused by or resulting from the "Breakdown or Contamination" cause of loss described below.
- (a) For purposes of this Additional Coverage, Paragraph **A.1.b.(3)** of Covered Property is amended to include "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.
- (b) Property located on buildings or in the open or in vehicles is considered to be Property Not Covered.
- (c) With respect to the coverage provided under this Additional Coverage, Paragraph **F. Additional Conditions** is replaced by the following:

**F. Additional Condition**

The following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions:

**Refrigeration Maintenance Agreements**

With respect to the "Breakdown Or Contamination" cause of loss, the following condition applies:

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement will be automatically suspended at the involved location.

- (d) The following is added to Section **H. Definitions**:

"Perishable stock" means personal property:

- (1) Maintained under controlled conditions for its preservation; and  
(2) Susceptible to loss or damage if the controlled conditions change.

- (e) As used in this Additional Coverage:

- (1) "Breakdown or contamination" means:

- (i) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and  
(ii) Contamination by the refrigerant.

This Additional Coverage does not apply to loss or damage that results from breakdown of refrigeration equipment while property is in transit, as it may apply under the Property in Transit Additional Coverage.

This Additional Coverage does not apply to power outage, which means change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(2) Under the Causes Of Loss - Special Form, the following applies:

(a) Section F. Additional Coverage Extensions is extended to apply the "Breakdown Or Contamination" cause of loss to loss or damage to "perishable stock" covered under this Spoilage Additional Coverage.

(b) The following is added to Section B. Exclusions:

We will not pay for loss or damage to "perishable stock" caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

(c) Power outages, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control;

(d) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(i) Lack of fuel; or

(ii) Governmental order.

(e) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

(f) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

(3) The most we will pay for all direct physical loss or damage to "perishable stock" is the Spoilage – Including Breakdown Or Contamination Limit of Insurance shown in the Schedule.

However, if you have other insurance covering the Spoilage loss that we cover under this endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. But, we will not pay more than the applicable Spoilage – Including Breakdown Or Contamination Limit of Insurance shown in the Schedule.

This Additional Coverage does not increase the Limit of Insurance.

(4) The coverage provided under this Spoilage Additional Coverage does not increase the actual loss of Business Income (And Extra Expense) you sustain during the "period of restoration" under the Utility Services Additional Coverage.

**w. Theft Damage To Rented Property**

The following provision is added to paragraph A.5. Coverage Extensions in the Building And Personal Property Coverage Form:

You may extend the insurance that applies to your personal property to apply to direct physical loss or damaged caused by "theft" or attempted "theft" to buildings you occupy, but do not own, at a described premises. We will only pay those amounts you are legally liable to pay for such loss or damage as required in your lease. However, if the building has been vacant for more than 60 consecutive days before the loss or damage occurs, we will not pay for any loss or damage caused by "theft" or attempted "theft".

We shall not be liable under this extension for damage by Fire or explosion, or to glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape or glass.

The most we will pay under this Additional Coverage in any one occurrence is the Limit of Insurance indicated in the Schedule.

**x. Utility Services - Direct Damage**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form and applies only to Covered Property to which coverage is afforded.

If this policy covers your Building or Your Business Personal Property, you may extend that insurance to apply to utility services – direct damage. We will pay for direct physical loss or damage to covered property that is caused by the interruption of services resulting from direct physical loss or damage, by a Covered Cause of Loss to the following property not on the premises described in the declarations:

- (1) Water supply services;
- (2) Communication supply services;
- (3) Power supply services;
- (4) Natural gas supply; or
- (5) Sewage treatment.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Utility Services – Direct Damage shown in the Schedule. This additional coverage does not apply if the direct physical loss or damage is caused by or resulting from earthquake or flood.

**3. Schedule C – Coverage Extensions**

**a. 1000 Feet Extension**

Section **A. Coverage** of the Building And Personal Property Coverage Form is amended with respect to the following areas:

- (1) Paragraph **1.a.(5)(b)** is replaced by the following:  
Materials, equipment, supplies and temporary structures, on or within 1000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.
- (2) Paragraph **1.b.** is amended by the following:  
Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.
- (3) Paragraph **1.c.** is amended by the following:  
Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.
- (4) Paragraph **A.5. Coverage Extensions** is amended by the following:  
Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises.

Paragraph **C.2.c.(1)** of the **Limitations** provision in the Causes Of Loss – Special Form is replaced with the following:

- (1) If the property is located on or within 1000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

**b. Awnings And Canopies – Permanently Attached**

Under the Building And Personal Property Coverage Form, Subparagraph **A.1.a.(1)** applicable to completed additions to buildings is extended to include coverage for loss or damage from a Covered Cause of Loss to permanently attached awnings and canopies.

The limit for this Extension is included in the Limit of Insurance applicable to the building.

**c. Brands And Labels**

The following provision is added to paragraph **A.4. Additional Coverages** in the Building And Personal Property Coverage Form:

If branded or labeled merchandise that is Covered Property is damaged by any Covered Cause of Loss, and we take all or part of the property at an agreed or appraised value, we will pay expenses you incur to:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels, if doing so will not physically damage the merchandise.
- (3) You must re-label the merchandise or its containers to comply with the law.

The most we will pay under this Additional Coverage for expenses in any one occurrence is the Limit of Insurance for Brands and Labels shown in the Schedule.

**d. Consequential Damage**

The following provision is added to paragraph **A.5. Coverage Extensions** in the Building And Personal Property Coverage Form:

If this policy covers Your Business Personal Property including "stock", you may extend that insurance to apply to consequential damage. If a Covered Cause of Loss occurs to covered "stock," we will pay any reduction in value of the remaining undamaged parts of covered "stock."

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit of Insurance for Consequential Damage shown in the Schedule.

**e. Deductible Enhancement**

The following provision is added to paragraph **D. Deductible** in the Building And Personal Property Coverage Form:

In the event that more than one Deductible is applicable to the same occurrence, the total of all deductible amounts applied to any one occurrence will not exceed the largest applicable deductible.

**f. Property Not Covered**

Paragraph **A.2.q.** of the **Property Not Covered** provision in the Building And Personal Property Coverage Form is amended as follows:

The following property while outside of buildings except as provided in the Outdoor Property Coverage Extension:

- (1) Grain, hay, straw or other crops;
- (2) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), or lawns (including fairways, greens and tees).

Paragraphs **A.2.d.**, **2.g.**, and **2.i.** of the **Property Not Covered** provision in the Building And Personal Property Coverage Form are deleted.

POLICY NUMBER:

COMMERCIAL PROPERTY  
PR 0079 1014

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## AFFINITY PRO-CLUB PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM

SCHEDULE			
Coverage			Limit Of Insurance
A.	Golf Courses		\$ 2,000,000
B.	Miscellaneous Outdoor Property		\$ 1,000,000
C.	Trees	Per Item	\$ 5,000
		Per Occurrence	\$ 500,000
D.	Expediting Expenses		\$ 10,000
E.	Landscape Architect Fee		\$ 5,000
AGGREGATE LIMIT			\$ 2,000,000
Deductible Amount:   \$ 5,000			
Per occurrence			

With respect to coverage provided by this Endorsement, the provisions of the Coverage Forms apply unless modified by the Endorsement. If any of the property covered by this Endorsement is also covered under any other provisions of the policy of which this Endorsement is made a part, you, in the event of loss or damage, may elect to make claim under such other provisions, in which case none of the provisions of this Endorsement are applicable. Or you may elect to make claim under provisions of this Endorsement, in which case coverage as provided by this Endorsement becomes sole coverage on such property. If more than one coverage under this Endorsement applies to property that has been damaged from one occurrence, you may choose only one of these coverages to apply to that loss.

### I. Golf Course Property Coverage

#### A. Under Section A. Coverage:

##### 1. Paragraph 1. Covered Property, is amended to add the following:

**d. Golf Course Property** as described below that you own or which is in your care, custody or control and which is located outdoors on or within 100 feet of the premises described in the Declarations:

- (1) Golf courses, meaning "fairways", "greens", "tees", and sand traps owned and maintained by the you for the game of golf;
- (2) Miscellaneous outdoor property, meaning:
  - (a) Benches, ball washers, signs and course markers, cups, flags and flag sticks, fencing and netting, retaining walls at "tees", water coolers, outdoor golf cart charging stations, portable out-houses and permanently installed drying fans for "greens";
  - (b) Driving range property, including ball baskets or racks, ball retrieving and dispensing equipment, and markers, dividers, nets, mats and tees;
  - (c) Tennis and paddle courts, including playing surfaces, lighting, nets and fencing;

- (d) Outdoor swimming pools, including pool fencing, pool decks, diving boards, slides, ladders, embedded lighting fixtures, pumps, filtration systems, plumbing, piping and drain systems;
  - (e) Irrigation, drainage and sprinkler systems, including underground pipes, flues and drains; and
  - (f) Paved walkways and cart paths, including foot bridges and cart bridges; and
- (3) Trees, but only with respect to removal of trees damaged by a Covered Cause Of Loss.
2. Paragraph 2., **Property Not Covered**, items **d.**, **h.**, **i.**, **m.**, and **q.(2)** are amended as follows:
- d. Bridges, roadways, walks, patios or other paved surfaces, except for golf course walkways, cart paths, foot bridges and cart bridges;
  - h. Land (including land on which the property is located), water, or growing crops;
  - i. Retaining walls that are not part of a building, other than "tee" retaining walls;
  - m. Underground pipes, flues or drains, other than those that are components of a swimming pool or an irrigation or drainage system;
- q.(2) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, except as provided in the Coverage Extensions.
3. Paragraph 3., **Covered Causes of Loss** is deleted in its entirety and is amended to read as follows:  
Covered Causes of Loss means the following:
- a. Fire;
  - b. Lightning;
  - c. Explosion;
  - d. Windstorm or hail, but not including:
    - (1) Frost or cold weather; or
    - (2) Ice (other than hail), snow or sleet, whether driven by wind or not;
  - e. Aircraft or vehicles, meaning only physical contact of an aircraft or spacecraft or objects falling from such craft, a self-propelled missile, a vehicle or an object thrown up by a vehicle;
  - f. Falling objects;
  - g. Riot or civil commotion, including looting occurring at the time and place of a riot or civil commotion;
  - h. Vandalism, meaning willful and malicious damage to or destruction of the described property; and
  - i. Theft.
4. Under Paragraph 4., **Additional Coverages**, the following is added under Sub-Paragraph a. Debris Removal:
- We will pay your expense to remove trees and their debris which have fallen on the described premises, but only when such trees have been damaged by a Covered Cause Of Loss as described in Paragraph I.A.3. of this endorsement, and where such damage has rendered such trees lifeless or in a condition where life is not sustainable. This expense includes removal of stumps and repair of the vacated stump area with backfill of soil and seeding or sodding with grass. The loss must occur during the policy period, and the expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage. The most we will pay for removal of any one tree is the amount shown in the Per Item Limit for Coverage C., Trees, as shown in the Schedule of this endorsement. The most we will pay for the sum of cost of removal of all trees damaged in any one occurrence is the Per Occurrence Limit for Coverage C., Trees, as shown in the Schedule of this endorsement.

## II. Additional Coverages

Under **Section A. Coverage**, Paragraph 4. **Additional Coverages**, the following Additional Coverages are added:

### A. Expediting Expense

1. When a covered cause of loss occurs to a covered golf course or miscellaneous outdoor property we will pay for reasonable expenses necessary to expedite the removal and replacement of this covered property. When a covered cause of loss occurs to trees, we will pay for reasonable and necessary expenses to expedite removal of those trees.



2. Expediting expenses means:
  - a. Additional labor you hire;
  - b. Overtime expenses for your employees;
  - c. Transportation costs and storage expense; and
  - d. Expense to rent additional equipment.
3. No deductible applies to this coverage.

#### **B. Landscape Architect Fees**

When direct physical loss or damage caused by a covered cause of loss occurs to a covered Golf Course or to trees, shrubs or plants, we will pay for the cost or expense associated with the professional services of a landscape architect and/or consultant. No deductible applies to this coverage.

#### **III. Only with respect to the coverage provided under this endorsement, Section C. Limits Of Insurance is deleted in its entirety and is replaced by the following:**

1. With respect to each coverage described in this endorsement the most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance indicated for that coverage in the Schedule of this endorsement.
2. The Aggregate Limit shown in the Schedule of this endorsement is the most we will pay in any one policy period for the total of all occurrences under all Coverages described in the Schedule.

#### **IV. Only with respect to coverage provided under this endorsement, the first paragraph under Section D. Deductible, is deleted in its entirety and is replaced by the following:**

Except as otherwise provided in this endorsement, in any one occurrence of loss or damage, we will pay only that part of the loss in excess over the deductible indicated on the Schedule of this endorsement.

#### **V. Only with respect to the coverage provided under this endorsement, under Section E. Loss Conditions, Paragraph 7., Valuation is deleted in its entirety and is replaced by the following:**

We will determine the value of Covered Property in the event of loss or damage as follows:

The value of the property will be the least of the following amounts:

- a. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- b. The cost of replacing that property with substantially identical property.

#### **VI. The Coinsurance Additional Condition described under Section F. Additional Conditions, Paragraph 1. Coinsurance, does not apply with respect to coverage provided under this endorsement.**

#### **VII. Definitions**

Under Section H. Definitions, the following definitions are added:

"Fairway" means the closest mown area of grass between the "tee" and the "green".

"Green" means the area specifically prepared for putting consisting of the shortest grass on the golf course.

"Tee" means the area(s) specifically prepared for starting each hole; also known as the teeing ground.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXTENDED POLLUTANT CLEAN-UP AND REMOVAL**

This endorsement modifies insurance provided under the following:

### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. Under SECTION A – COVERAGE, Paragraph 4. Additional Coverages, Sub-Paragraph d. Pollutant Clean-up And Removal:**

1. The first paragraph is deleted in its entirety and is replaced with the following:

We will pay your expense to extract "pollutants" from land or water at the described premises if:

- a. The discharge, dispersal, seepage, migration, release or escape of the "pollutants" occurs during the policy period and is caused by or results from a Covered Cause of Loss; or
- b. An accidental discharge, dispersal, seepage, migration, release or escape of "pollutants" occurs during the policy period and is caused by or results from the use of the following at the premises described in the Declarations:
  - (1) Pesticides, herbicides, fungicides, fertilizers used by you or on your behalf to maintain golfing facilities; or
  - (2) Swimming pool chemicals used by you or on your behalf to maintain swimming facilities; or
  - (3) Petroleum products used by you to fuel service vehicles or other equipment, but only if such products are stored in and dispensed from "above ground tanks".

The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss or the accidental discharge, dispersal, seepage, migration, release or escape of "pollutants" occurs.

2. The following provision is added:

Only with respect to accidental discharge, dispersal, seepage, migration, release or escape of "pollutants" as described under Paragraph A.1.b. of this endorsement, a deductible of \$1,000 applies to each such occurrence.

3. Only for the purpose of this endorsement, the following definition is added:

"Above ground tank" means a tank for storage of fuel and any associated piping and appurtenances connected thereto, all of which are on or above ground with no part of the tank, piping or appurtenances or any volume of fuel below ground or under water.

All other terms and conditions remain the same.

POLICY NUMBER: PK201700007890

COMMERCIAL GENERAL LIABILITY  
CG DS 01 10 01**COMMERCIAL GENERAL LIABILITY DECLARATIONS**

<b>COMPANY NAME</b> New York Marine and General Insurance Company	<b>PRODUCER NAME</b> Affinity Agency Group, LLC 163 Madison Avenue #310 Morristown, NJ 07960
<b>NAMED INSURED</b> The Ford Plantation Club, Inc. and The Ford Plantation Association, As Per Named Insured Endorsement	
<b>MAILING ADDRESS</b> 12511 Ford Ave Richmond Hill, GA 31324	
<b>POLICY PERIOD:</b> FROM 06/01/2017 TO 06/01/2018 AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS  
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

LIMITS OF INSURANCE	
EACH OCCURRENCE LIMIT	\$1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$300,000 Any one premises
MEDICAL EXPENSE LIMIT	\$10,000 Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$1,000,000 Any one person or organization
GENERAL AGGREGATE LIMIT	\$3,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$3,000,000

RETROACTIVE DATE (CG 00 02 ONLY)
THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. RETROACTIVE DATE: _____ (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES)

DESCRIPTION OF BUSINESS
<b>FORM OF BUSINESS:</b> <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> TRUST <input type="checkbox"/> LIMITED LIABILITY COMPANY <input checked="" type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT IN- CLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY) <b>BUSINESS DESCRIPTION:</b> Country Club

ALL PREMISES YOU OWN, RENT OR OCCUPY	
LOC NO.	ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY
001-001	Clubhouse 12511 Ford Ave Bryan Richmond Hill, GA 31324
002-001	Sales Office 48 Ford Way Bryan Richmond Hill, GA 31324

CLASSIFICATION AND PREMIUM							
LOC NO.	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/Ops	Prod/Comp Ops	Prem/Ops	Prod/Comp Ops
001-001	Clubs-Country or Golf Products-completed operations are subject to the General Aggregate Limit TERRITORY: 503	11138	8,693,519 Gross Sales	1.051	Incl.	\$9,137	Incl.
002-001	Buildings or Premises-Office - Other Than Not-For-Profit Products-completed operations are subject to the General Aggregate Limit TERRITORY: 503	61226	500 Area	126.195	Incl.	\$63	Incl.



STATE TAX OR OTHER (if applicable) _____	
TOTAL PREMIUM (SUBJECT TO AUDIT) _____ \$13,376	
PREMIUM SHOWN IS PAYABLE:	AT INCEPTION _____
	AT EACH ANNIVERSARY _____
	(IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS)
AUDIT PERIOD (IF APPLICABLE)	<input type="checkbox"/> ANNUALLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> MONTHLY

ENDORSEMENTS
ENDORSEMENTS ATTACHED TO THIS POLICY:
See Schedule of Forms and Endorsements
_____
_____
_____

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

Countersigned:	By:
(Date)	(Authorized Representative)



POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG DS 03 07 98

## LIQUOR LIABILITY DECLARATIONS

COMPANY NAME AREA		PRODUCER NAME AREA	
NAMED INSURED	The Ford Plantation Club, Inc. and The Ford Plantation Association, Inc.		
MAILING ADDRESS	12511 Ford Ave		
	Richmond Hill, GA 31324		
POLICY PERIOD: FROM	06/01/2017	TO	06/01/2018 AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE	
EACH COMMON CAUSE LIMIT	\$ 1,000,000
AGGREGATE LIMIT	\$ 1,000,000

RETROACTIVE DATE (CG 00 34 ONLY)
THIS INSURANCE DOES NOT APPLY TO "INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.
RETROACTIVE DATE: _____
(ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES)

DESCRIPTION OF BUSINESS	
FORM OF BUSINESS:	
<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> PARTNERSHIP
<input type="checkbox"/> LIMITED LIABILITY COMPANY	<input type="checkbox"/> JOINT VENTURE
	<input checked="" type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)
BUSINESS DESCRIPTION: _____	

ALL PREMISES YOU OWN, RENT OR OCCUPY	
LOCATION NUMBER	ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY
1	12511 Ford Ave, Richmond Hill GA 31324

CLASSIFICATION AND PREMIUM				
CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE	ADVANCE PREMIUM
Liquor	70412	\$ 383,533	\$ 9.00	\$ "SEE GL DEC"
		STATE TAX OR OTHER (if applicable) \$ _____		
		TOTAL PREMIUM (SUBJECT TO AUDIT) \$ _____		
PREMIUM SHOWN IS PAYABLE:		AT INCEPTION \$ _____		
		AT EACH ANNIVERSARY \$ _____		
		(IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS)		
AUDIT PERIOD (IF APPLICABLE)	<input type="checkbox"/> ANNUALLY	<input type="checkbox"/> SEMI-ANNUALLY	<input type="checkbox"/> QUARTERLY	<input type="checkbox"/> MONTHLY

ENDORSEMENTS
ENDORSEMENTS ATTACHED TO THIS POLICY:
_____
_____
_____

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned:	By:
(Date)	(Authorized Representative)

**NOTE**

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".



**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## **COVERAGE C – MEDICAL PAYMENTS**

### **1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### **2. Exclusions**

We will not pay expenses for "bodily injury":

#### **a. Any Insured**

To any insured, except "volunteer workers".

#### **b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

#### **c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

### **d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### **e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### **f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

### **g. Coverage A Exclusions**

Excluded under Coverage A.

## **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and
    - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

**3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:**

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

**1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:**

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

**2. The General Aggregate Limit is the most we will pay for the sum of:**

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

##### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".**

**11. "Loading or unloading" means the handling of property:**

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.



However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

## LIQUOR LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – LIQUOR LIABILITY COVERAGE

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "injury" only if:

- (1) The "injury" occurs during the policy period in the "coverage territory"; and

- (2) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

- d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:

- (1) Reports all, or any part, of the "injury" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "injury"; or
- (3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

##### b. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**c. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "injury".

**d. Liquor License Not In Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

**e. Your Product**

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnitees may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

**f. Other Insurance**

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**g. War**

"Injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

**SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

**(1) "Injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above; or
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b) above.

**(2) "Property damage" to property:**

- (a) Owned or occupied by; or
- (b) Rented or loaned;  
to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

- 2. The Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.

- 3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**SECTION IV – LIQUOR LIABILITY CONDITIONS**

**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

## **2. Duties In The Event Of Injury, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "injury" took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any "injury".
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

## **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

### **a. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.

### **b. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## **5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### **SECTION V – DEFINITIONS**

- 1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 2. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the "injury" occurs in the course of travel or transportation between any places included in Paragraph a. above; or

- c. All other parts of the world if the "injury" arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph a. above; or
- (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

- 3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 4. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 5. "Injury" means damages because of "bodily injury" and "property damage", including damages for care, loss of services or loss of support.
- 6. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 7. "Property damage" means:
  - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
- 8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 9. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**10. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:**
  - (a) You;**
  - (b) Others trading under your name; or**
  - (c) A person or organization whose business or assets you have acquired; and**
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.**

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and**
- (2) The providing of or failure to provide warnings or instructions.**
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE BENEFITS LIABILITY COVERAGE**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

#### **SCHEDULE**

<b>Coverage</b>	<b>Limit Of Insurance</b>	<b>Each Employee Deductible</b>	<b>Premium</b>
<b>Employee Benefits Programs</b>	\$1,000,000 <b>each employee</b> \$1,000,000 <b>aggregate</b>	\$1,000	Included
<b>Retroactive Date:</b>	06/01/2016		

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. The following is added to Section I - Coverages:**

#### **COVERAGE - EMPLOYEE BENEFITS LIABILITY**

##### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III - Limits Of Insurance); and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## **2. Exclusions**

This insurance does not apply to:

### **a. Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### **b. Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

### **c. Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

### **d. Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### **e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

## **f. Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

## **g. ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

## **h. Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

## **i. Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

## **j. Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

## **B. For the purposes of the coverage provided by this endorsement:**

1. All references to Supplementary Payments - Coverages A and B are replaced by Supplementary Payments - Coverages A, B and **Employee Benefits Liability**.

Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

## **C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of Section II - Who Is An Insured are replaced by the**

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

**1. Limits Of Insurance**

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

**2. Deductible**

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV – Commercial General Liability Conditions** are replaced by the following:
  - 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

**b. If a "claim" is made or "suit" is brought against any insured, you must:**

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**c. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.**

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

- (a) No Retroactive Date is shown in the Schedule of this insurance; or

- (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### **EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph D.1.b. of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph D.1.c.

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – LESSOR OF LEASED  
EQUIPMENT – AUTOMATIC STATUS WHEN  
REQUIRED IN LEASE AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

- B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.
- C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - DESIGNATED WORK**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of your work:**

Marina, Equestrian

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" shown in the Schedule.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion f. under Paragraph 2., **Exclusions of Section 1 – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

#### **f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF OTHER ACTS OF TERRORISM  
COMMITTED OUTSIDE THE UNITED STATES; CAP ON  
LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;

b. The act resulted in damage:

(1) Within the United States (including its territories and possessions and Puerto Rico); or

(2) Outside of the United States in the case of:

(a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

(b) The premises of any United States mission; and

c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PESTICIDE OR HERBICIDE APPLICATOR –  
LIMITED POLLUTION COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Description Of Operations:**

Country Club Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With respect to the operations shown in the Schedule, Paragraph (1)(d) of Exclusion f. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** does not apply if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those operations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CLUB COMPLETE COMMERCIAL LIABILITY BROADENING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **SCHEDULE – EXTENSIONS OF COVERAGE**

<b>Coverages</b>	
Additional Insured	Fire, Explosion, Sprinkler Leakage Or Lightning Legal Liability Coverage
Additional Insured – Club Members	Golf And Tennis Professionals
Additional Insured – Operators of Golf Mobiles	Golf Ball Property Damage
Additional Insured – Vendors	Incidental Medical Services Coverage
Blanket Waiver Of Subrogation	Liberalization
Broadened Bodily Injury	Medical Payments - Members
Broadened Named Insured	Non-Owned Watercraft Coverage
Duties In The Event Of An Occurrence, Offense, Claim Or Suit	Personal And Advertising Injury
Expected Or Intended Injury	Supplementary Payments – Increased Limits
Fellow Employee Coverage	Unintentional Failure To Disclose Hazards
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Coverage extensions under this section only apply in the event that no other specific coverage for these extensions is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted in this endorsement.

#### **1. Additional Insured**

Paragraph 2. of **Section II – Who Is An Insured** is amended by the addition of the following:

- e. Any person or organization is included as an additional insured, but only to the extent such person or organization is held liable for "bodily injury", "property damage" or "personal and advertising injury" caused by your acts or omissions. With respect to the insurance afforded to such insured, all of the following additional provisions apply:
  - (1) You and such person or organization have agreed in a written "insured contract" that such person or organization be added as an additional insured under this policy;
  - (2) The "bodily injury", "property damage" or "personal and advertising injury" for which said person or organization is held liable occurs subsequent to the execution of such "insured contract";
  - (3) The most we will pay is the lesser of either the Limits of Insurance shown in the Declarations or the Limits of Insurance required by the "insured contract";



- (4) Such person or organization is an insured only with respect to:
- (a) Their ownership, maintenance, or use of that part of the premises, or land, owned by, rented to, or leased to you, except such person or organization is not an insured with respect to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization;
  - (b) Your ongoing operations performed for that insured;
  - (c) Their financial control of you, except such person or organization is not an insured with respect to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization;
  - (d) The maintenance, operation or use by you of equipment leased to you by such person or organization;
  - (e) Operations performed by you or on your behalf and for which a state or political subdivision has issued a permit, provided such operations are not performed for such state or political subdivision, and are not included within the "products-completed operations hazard";
- (5) This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", "occurrence" or offense:
- (a) Which takes place at a particular premise after you cease to be a tenant of that premises;
  - (b) Which takes place after all work, including materials, parts or equipment furnished in connection with such work to be performed by or on behalf of the additional insured at the site of the covered operations, has been completed;
  - (c) Which takes place after that portion of "your work" out of which the injury or damage arises has been put to its intended use by any other person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project;
  - (d) Which takes place after the expiration of any equipment lease to which (4)(d) above applies;
- (6) With respect to architects, engineers or surveyors, coverage does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications;
  - (b) Supervisory, inspection, architectural or engineering services.
- However, if an Additional Insured endorsement is attached to this policy that specifically names a person or organization as an insured, then this subsection 2.e. does not apply to such person or organization.

## **2. Additional Insured – Club Members**

**Section II – Who Is An Insured** is amended to include as an insured any of your members, but only with respect to their liability for your activities or activities they perform on your behalf.

Coverage under this extension will apply as excess over any other valid and collectible insurance.

## **3. Additional Insured – Operators of Golfmobiles**

**Section II – Who Is An Insured** is amended to include as an insured any person(s) using or legally responsible for the use of "golfmobiles" loaned or rented to others by you or any of your concessionaires, but only for their liability arising out of the use of the "golfmobiles".

"Golfmobile" means a motorized conveyance that is designed to carry up to four persons on a golf course for the purpose of playing golf, and is not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground.

Coverage under this extension will apply as excess over any other valid and collectible insurance.

## **4. Additional Insured – Vendors**

Unless the "products-completed operations hazard" is excluded from this policy, **Section II – Who Is An Insured** is amended by the addition of the following:

Any vendor of yours is included as an additional insured, but only with respect to "bodily injury" or "property damage" caused by "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- (1) The insurance afforded to the vendor does not apply to:
- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - (b) Any express warranty unauthorized by you;
  - (c) Any physical or chemical change in the product made intentionally by the vendor;
  - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (f) Demonstration, installation, servicing or repair operations, except such operations performed by the vendor in full compliance with the manufacturer's written instructions at the vendor's premises in connection with the sale of the product;
  - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - (h) "Bodily injury" or "property damage" arising out of the liability of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products or any ingredient, part or container, entering into, accompanying or containing such products.
- However, if an Additional Insured – Vendors endorsement is attached to this policy that specifically names a person or organization as an insured, then this provision does not apply to that person or organization.

#### **5. Blanket Waiver Of Subrogation**

Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – **Commercial General Liability Conditions** and Section IV – **Products/Completed Operations Liability Conditions** is replaced by the following:

##### **Transfer Of Rights Of Recovery Against Others To Us And Blanket Waiver Of Subrogation**

- a. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after the loss to impair those rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.
- b. If required by a written "insured contract" executed prior to the "occurrence" or offense, we waive any right of recovery we may have against any person or organization named in such "insured contract", because of payments we make for injury or damage arising out of your operations or "your work" for that person or organization.

#### **6. Broadened Named Insured**

Paragraph 3. of Section II – **Who Is An Insured** is replaced by the following:

Any organization that you own at the inception of this policy, or newly acquire or form during the policy period, and over which you maintain during the policy period majority ownership or majority interest, will qualify as a Named Insured if:

- a. There is no other similar insurance available to that organization;
- b. The first Named Insured shown in the Declarations has the responsibility of placing insurance for that organization; and
- c. That organization is incorporated or organized under the laws of the United States of America.

However:

- a. Coverage under this provision is afforded only until the next occurring annual anniversary of the beginning of the policy period shown in the Declarations, or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

The final paragraph of **Section II – Who Is An Insured** is replaced by the following:

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations. However, this does not apply to a limited liability company that meets all of the conditions of **Section II – Who Is An Insured**, above.

**7. Broadened Bodily Injury**

Paragraph 3. of **Section V – Definitions** is replaced by the following:

"Bodily injury" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**8. Duties In The Event Of An Occurrence, Offense, Claim Or Suit**

Paragraph 2.a. of **Section IV – Commercial General Liability Conditions** is replaced by the following:

a. You must see to it that we or any licensed agent of ours are notified of a general liability "occurrence" or offense which may result in a claim as soon as practicable after it becomes known to:

- (1) You, if you are an individual;
- (2) Your partner or member, if you are a partnership or joint venture;
- (3) Your member, if you are a limited liability company;
- (4) Your executive officer if you are an organization other than a partnership, joint venture or limited liability company; or
- (5) Your authorized representative or insurance manager.

Knowledge of an "occurrence" or offense by persons other than those listed above does not imply that those listed above also have such knowledge.

b. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

**9. Expected Or Intended Injury**

Paragraph 2.a. **Expected Or Intended Injury** of the **Exclusions** provision of **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**10. Fellow Employee Coverage**

Paragraph 2.a.(1) of **Section II – Who Is An Insured** is replaced by the following:

- (1) "Personal and advertising injury":

However subsections (a), (b), (c) and (d) remain unchanged.

**11. Fire, Explosion, Sprinkler Leakage Or Lightning Legal Liability Coverage**

a. The final paragraph of the **Exclusions** provision of **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, explosion, sprinkler leakage or lightning to premises while:

- (1) Rented to you;
- (2) Temporarily occupied by you with the permission of the owner; or
- (3) Managed by you under a written agreement with the owner.

A separate limit of insurance applies to this coverage as described in **Section III – Limits Of Insurance**.

**b. Paragraph 6. of Section III – Limits Of Insurance is replaced by the following:**

Subject to paragraph 5. above, the Damage to Premises Rented To You Limit shown in the Declarations, for "property damage" to any one premises while rented to you, or in the case of damage by fire, explosion, sprinkler leakage, or lightning while rented to you, temporarily occupied by you with the permission of the owner, or managed by you under a written agreement with the owner, is the greater of:

(1) \$1,000,000 Any One Premises; or

(2) The Damage To Premises Rented To You Limit shown in the Declarations.

**c. Subsections 4.b.(1)(a)(ii) and 4.b.(1)(a)(iii) of paragraph 4.b. Excess Insurance of the Other Insurance condition of Section IV – Commercial General Liability Conditions is replaced by the following:**

(ii) That is Fire, Explosion, Sprinkler Leakage, or Lightning insurance for premises while rented to you, temporarily occupied by you with permission of the owner, or managed by you under a written agreement with the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you, temporarily occupied by you with the permission of the owner, or managed by you under a written agreement with the owner;

**d. Paragraph 9.a. of Section V – Definitions is replaced by the following:**

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, explosion, sprinkler leakage, or lightning to premises while rented to you, temporarily occupied by you with permission of the owner, or managed by you under a written agreement with the owner, is not an "insured contract";

**12. Golf And Tennis Professionals**

**A. Additional Insured**

Under **Section II – Who Is An Insured**, the following is added under Paragraph 2:

Any person not directly in your employment that holds the position of Golf or Tennis Professional within your organization, but only while performing duties within their scope as such that are related to the conduct of your business.

Insurance provided under this extension to any such person as described above does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence or willful misconduct of that person.

**B. Professional Liability**

(1) Under **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability, Paragraph 1. Insuring Agreement** is amended to include the following:

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from the rendering or failure to render professional services as a golf or tennis professional in connection with the operation of your business.

(2) This insurance as described in (1) above does not apply to:

(a) Violation of any statute, government rule or regulation; or

(b) Any advice in connection with diet, cardiovascular fitness, or body building; or

(c) Prescribing or dispensing of supplements, pharmacological products or vitamins.

For the purpose of determining the limits of insurance for the coverage provided under this extension of coverage, any act or omission together with all related acts or omissions in the furnishing of professional services to any one person will be considered one "occurrence".

Coverage under this extension will apply as excess over any other valid and collectible insurance.

**13. Golf Ball Property Damage**

We will pay for "property damage" to "property of others" caused by or resulting from a golf ball hit from golf course premises that you own or rent, provided that:

a. The "occurrence" takes place in the "coverage territory" and during the policy period; and

b. The incident is reported to us within one year of the date that it occurred.

We will make these payments regardless of fault. These payments will not exceed \$1,500 for any one occurrence or \$10,000 in the aggregate for any policy year.

Only with respect to coverage provided under this extension, "property of others" means buildings or personal property belonging to others that is not owned, occupied or in the care, custody or control of you, your partners, officers, directors, trustees, joint ventures, or your employees of agents.

**14. Incidental Medical Services Coverage**

**Section I – Coverages** is amended to include the following additional coverage:

We will pay for "bodily injury" arising out of the rendering of or failure to render the following treatment or services by an "employee" or "volunteer worker" for an accident occurring during the policy period:

- a. First aid treatment including cardiopulmonary resuscitation (CPR); and
- b. Medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection therewith; and the furnishing or dispensing of drugs, or medical, dental, or surgical supplies or appliances.

However, this coverage does not apply to any insured or to any entity engaged in the business or occupation of providing the services or treatments described in a. and b. above.

Paragraph e. **Employer's Liability** of the **Exclusions** provision of **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability** does not apply to psychological injury arising out of the services described above.

**15. Liberalization**

**Section IV – Commercial General Liability Conditions** is amended by the addition of the following condition:

**Liberalization**

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

**16. Medical Payments - Members**

Under **Section I – Coverages, Coverage C - Medical Payments, Paragraph 2. Exclusions** is amended by the following:

- a. **Exclusion 2.a. Any Insured** is deleted in its entirety and is replaced by the following:

**a. Any Insured**

To any insured, except "club members".

- b. **Exclusion 2.e. Athletic Activities** is deleted in its entirety and is replaced by the following:

**e. Athletic Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests; however this exclusion does not apply to your "club members" practicing for, participating in, or playing golf or tennis on your premises covered by this insurance.

Only with respect to coverage under this extension, "club members" means your members who are not paid a fee, salary or other compensation.

**17. Non-owned Watercraft Coverage Extension**

Paragraph 2.g.(2) of the **Aircraft, Auto Or Watercraft** exclusion of **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This exclusion does not apply to:

- (1) A watercraft you do not own that is:
  - (a) Less than 50 feet long; and
  - (b) Not being used to carry persons or property for a charge;

**18. Personal And Advertising Injury Liability**

Unless "personal and advertising injury" is excluded from this policy, the following applies:

Paragraph e. **Contract Liability** of the **Exclusions** provision of **Section I – Coverages, Coverage B – Personal And Advertising Injury Liability** is deleted.

**19. Supplementary Payments – Increased Limits**

Paragraphs 1.b., 1.d., and 1.e. of **Supplementary Payments – Coverages A and B of Section I – Coverages** are replaced by the following:

- b. The cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including substantiated loss of earnings up to \$500 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit".

**20. Unintentional Failure To Disclose Hazards**

Paragraph 6. **Representations of Section IV – Commercial General Liability Conditions** is amended by the addition of the following:

- d. If you unintentionally fail to disclose any hazards existing at the inception date of this policy, we will not deny coverage under this Coverage Form because of such failure.  
However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

All other terms, definitions, conditions and exclusions of this policy remain unchanged.

## CRIME AND FIDELITY COVERAGE PART DECLARATIONS (COMMERCIAL ENTITIES)

The Crime And Fidelity Coverage Part (Commercial Entities) consists of this Declarations Form and the Commercial Crime Coverage Form.

**Coverage Is Written:**

☒ Primary
 ☐ Excess
 ☐ Coindemnity
 ☐ Concurrent

**Employee Benefit Plan(s) Included As Insureds:**

Insuring Agreements		Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1.	Employee Theft	\$100,000	\$500
2.	Forgery Or Alteration	\$100,000	\$500
3.	Inside The Premises - Theft Of Money And Securities	\$25,000	\$500
4.	Inside The Premises - Robbery Or Safe Burglary Of Other Property	Not Covered	
5.	Outside The Premises	Not Covered	
6.	Computer And Funds Transfer Fraud	\$100,000	\$500
7.	Money Orders And Counterfeit Money	Not Covered	

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this Policy are deleted.

**If Added By Endorsement:**

Insuring Agreement(s)	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence

**Endorsements Forming Part Of This Coverage Part When Issued:**  
See Schedule of Forms and Endorsements

<b>Cancellation Of Prior Insurance Issued By Us:</b>
<b>By acceptance of this Coverage Part you give us notice cancelling prior policy Numbers ; the cancellation to be effective at the time this Coverage Part becomes effective.</b>

<b>Countersignature Of Authorized Representative</b>
<b>Name:</b>
<b>Title:</b>
<b>Signature:</b>
<b>Date:</b>



## COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is or is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

#### 1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

#### 2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

### 3. Inside The Premises – Theft Of Money And Securities

We will pay for:

a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or
- (2) Resulting directly from disappearance or destruction.

b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

### 4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

We will pay for:

a. Loss of or damage to "other property":

- (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
- (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

#### **5. Outside The Premises**

We will pay for:

- a. Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

#### **6. Computer And Funds Transfer Fraud**

a. We will pay for:

(1) Loss resulting directly from a fraudulent:

- (a) Entry of "electronic data" or "computer program" into; or
- (b) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs 6.a.(1)(a) and 6.a.(1)(b):

- (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
  - (ii) Your account at a "financial institution" to be debited or deleted.
- (2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph 6.a.(1), fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

#### **7. Money Orders And Counterfeit Money**

We will pay for loss resulting directly from your having, in good faith, accepted in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

#### **B. Limit Of Insurance**

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

#### **C. Deductible**

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

#### **D. Exclusions**

1. This insurance does not cover:

##### **a. Acts Committed By You, Your Partners Or Your Members**

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.

**b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period**

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

**c. Acts Committed By Your Employees, Managers, Directors, Trustees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1.

**d. Confidential Or Personal Information**

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph 1.d.(2) does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**e. Data Security Breach**

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**f. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**g. Indirect Loss**

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**h. Legal Fees, Costs And Expenses**

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.2.

**i. Nuclear Hazard**

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**j. Pollution**

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**k. Virtual Currency**

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

**l. War And Military Action**

Loss or damage resulting from:

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
2. Insuring Agreement A.1. does not cover:
- a. **Inventory Shortages**  
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
  - b. **Trading**  
Loss resulting from trading, whether in your name or in a genuine or fictitious account.
  - c. **Warehouse Receipts**  
Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. Insuring Agreements A.3., A.4. and A.5. do not cover:
- a. **Accounting Or Arithmetical Errors Or Omissions**  
Loss resulting from accounting or arithmetical errors or omissions.
  - b. **Exchanges Or Purchases**  
Loss resulting from the giving or surrendering of property in any exchange or purchase.
  - c. **Fire**  
Loss or damage resulting from fire, however caused, except:
    - (1) Loss of or damage to "money" and "securities"; and
    - (2) Loss from damage to a safe or vault.
  - d. **Money Operated Devices**  
Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
  - e. **Motor Vehicles Or Equipment And Accessories**  
Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.
  - f. **Transfer Or Surrender Of Property**
    - (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":
      - (a) On the basis of unauthorized instructions; or
      - (b) As a result of a threat including, but not limited to:
        - (i) A threat to do bodily harm to any person;
        - (ii) A threat to do damage to any property;
        - (iii) A threat to introduce a denial of service attack into any "computer system";
        - (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system";
        - (v) A threat to contaminate, pollute or render substandard your products or goods; or
        - (vi) A threat to disseminate, divulge or utilize:
          - i. Your confidential information;
          - ii. Confidential or personal information of another person or organization; or
          - iii. Weaknesses in the source code within any "computer system".

(2) However, this exclusion does not apply under Insuring Agreement A.5. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

**h. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**4. Insuring Agreement A.6. does not cover:**

**a. Authorized Access**

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or
- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement A.6.b.

**b. Credit Card Transactions**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

**c. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**d. Fraudulent Instructions**

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or

(2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement A.6.a.(2) or A.6.b.

**e. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

**E. Conditions**

The following conditions apply in addition to the Common Policy Conditions:

**1. Conditions Applicable To All Insuring Agreements**

**a. Additional Premises Or Employees**

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

**b. Concealment, Misrepresentation Or Fraud**

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

**c. Consolidation – Merger Or Acquisition**

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

**d. Cooperation**

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

**e. Duties In The Event Of Loss**

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1. or A.2.) involves a violation of law, you must also notify the local law enforcement authorities;
- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and

- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

**f. Employee Benefit Plans**

The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement A.1., subject to the following:

- (1) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator is responsible for selecting a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required under ERISA as if each Plan were separately insured.

- (2) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (3) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

- (4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
- (b) Of commingled "money", "securities" or "other property" of two or more Plans;

resulting directly from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required under ERISA for each Plan bears to the total of those limits.

- (5) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any Plan.

**g. Extended Period To Discover Loss**

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

**h. Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member", "manager", officer, director or trustee of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
  - (a) No later than one year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
  - (b) No later than one year from the date of that cancellation with regard to any "employee benefit plan".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that Plan, shall fully release us on account of such loss.

**i. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "discovered" the loss.

If any limitation in this condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

**j. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

**k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**

**(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

**(2) Loss Sustained Entirely During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

**(3) In settling loss under Paragraphs k.(1) and k.(2):**

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

**(4) The following examples demonstrate how we will settle losses subject to this condition:**

**Example Number 1**

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

**Policy A**

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

**Policy B**

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

**Settlement Of Loss**

The amount of loss sustained under Policy A is \$2,500 and under Policy B, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
- (b) The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

**Example Number 2**

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

**Policy A**

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.



### **Policy B**

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

#### **Settlement Of Loss**

The amount of loss sustained under Policy A is \$175,000 and under Policy B, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit - \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

### **Example Number 3**

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

#### **Policy A**

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

#### **Policy B**

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

#### **Policy C**

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

#### **Policy D**

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

### **Settlement Of Loss**

The amount of loss sustained under Policy A is \$350,000; under Policy B, \$250,000; under Policy C, \$600,000; and under Policy D, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy D, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.

### **I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
  - (a) This insurance became effective at the time of cancellation of the prior insurance; and
  - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

**(2) In settling loss subject to this condition:**

**(a)** The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.

**(b)** We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

**(3) The insurance provided under this condition is subject to the following:**

**(a)** If loss covered under this condition is also partially covered under Condition E.1.k., the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition E.1.k.

**(b)** For loss covered under this condition that is not subject to Paragraph I.(3)(a), the amount recoverable under this condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:

**(i)** This insurance as of its effective date; or

**(ii)** The prior cancelled insurance had it remained in effect.

**m. Other Insurance**

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

**(1) Primary Insurance**

When this insurance is written as primary insurance, and:

**(a)** You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

**(b)** You have other insurance covering the same loss other than that described in Paragraph m.(1)(a), we will only pay for the amount of loss that exceeds:

**(i)** The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

**(ii)** The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

**(2) Excess Insurance**

**(a)** When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.

**(b)** However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

**n. Ownership Of Property; Interests Covered**

The property covered under this insurance is limited to property:

**(1)** That you own or lease;

**(2)** That is held by you in any capacity; or

**(3)** For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

**o. Records**

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

**p. Recoveries**

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
  - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
  - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
  - (c) Third, to you in satisfaction of any Deductible Amount; and
  - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
  - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (b) Of original "securities" after duplicates of them have been issued.

**q. Territory**

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

**r. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**s. Valuation – Settlement**

The value of any loss for purposes of coverage under this insurance shall be determined as follows:

**(1) Money**

Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- (a) At face value in the "money" issued by that country; or

- (b) In the United States of America dollar equivalent, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

**(2) Securities**

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
  - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
  - (ii) Limit of Insurance applicable to the "securities".

**(3) Property Other Than Money And Securities**

- (a) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
  - (i) The Limit of Insurance applicable to the lost or damaged property;
  - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
  - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

- (b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph s.(3)(a):

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (c) We will, at your option, pay for loss or damage to such property:

- (i) In the "money" of the country in which the loss or damage was sustained; or
- (ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

- (d) Any property that we pay for or replace becomes our property.

## **2. Conditions Applicable To Insuring Agreement A.1.**

### **a. Termination As To Any Employee**

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **b. Territory**

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition E.1.q. for a period of not more than 90 consecutive days.

## **3. Conditions Applicable To Insuring Agreement A.2.**

### **a. Deductible Amount**

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

### **b. Electronic And Mechanical Signatures**

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

### **c. Proof Of Loss**

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

### **d. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.2.

## **4. Conditions Applicable To Insuring Agreements A.4. And A.5.**

### **a. Armored Motor Vehicle Companies**

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

### **b. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semiprecious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**5. Conditions Applicable To Insuring Agreement A.6.**

**a. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**b. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.6.

**F. Definitions**

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
  - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
  - b. Systems and applications software; and
  - c. Related communications networks;by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Employee":

a. Means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee", as defined in Paragraph 7.a.(1), who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph 7.a.(2);

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or

- (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
  - (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;
  - (6) Any natural person who is a guest student or intern pursuing studies or duties;
  - (7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this insurance; and
  - (8) Any natural person who is your "manager", director or trustee while:
    - (a) Performing acts within the scope of the usual duties of an "employee"; or
    - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. Does not mean:**
- Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 7.a.
- 8. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
  - 9. "Financial institution" means:
    - a. With regard to Insuring Agreement A.3.:
      - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
      - (2) An insurance company.
    - b. With regard to Insuring Agreement A.6.:
      - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
      - (2) An insurance company; or
      - (3) A stock brokerage firm or investment company.
  - c. Other than Insuring Agreements A.3. and A.6., any financial institution.
  - 10. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph F.9.a.
  - 11. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
  - 12. "Fraudulent instruction" means:
    - a. With regard to Insuring Agreement A.6.a.(2):
      - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
      - (2) A written instruction (other than those covered under Insuring Agreement A.2.) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
    - b. With regard to Insuring Agreement A.6.b.:
 A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
  - 13. "Manager" means a natural person serving in a directorial capacity for a limited liability company.
  - 14. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

15. "Messenger" means you, or your relative, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
16. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value;
  - b. Traveler's checks and money orders held for sale to the public; and
  - c. In addition, includes:
    - (1) Under Insuring Agreements A.1. and A.2., deposits in your account at any "financial institution"; and
    - (2) Under Insuring Agreement A.6., deposits in your account at a "financial institution" as defined in Paragraph F.9.b.
17. "Occurrence" means:
  - a. Under Insuring Agreement A.1.:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
    - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
  - b. Under Insuring Agreement A.2.:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
    - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
  - c. Under all other Insuring Agreements:
    - (1) An individual act or event;
    - (2) The combined total of all separate acts or events whether or not related; or
    - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
18. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this insurance.
19. "Premises" means the interior of that portion of any building you occupy in conducting your business.
20. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
  - a. Caused or threatened to cause that person bodily harm; or
  - b. Committed an obviously unlawful act witnessed by that person.
21. "Safe burglary" means the unlawful taking of:
  - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - b. A safe or vault from inside the "premises".
22. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
23. "Theft" means the unlawful taking of property to the deprivation of the Insured.
24. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
  - a. By means of computer, telefacsimile, telephone or other electronic instructions; or
  - b. By means of written instructions (other than those covered under Insuring Agreement A.2.) establishing the conditions under which such transfers are to be initiated by such "financial institution" through an electronic funds transfer system.
25. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**GEORGIA CHANGES – CONCEALMENT,  
MISREPRESENTATION OR FRAUD**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
GOVERNMENT CRIME COVERAGE FORM  
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

**A. The Concealment, Misrepresentation Or Fraud**  
Condition is replaced by the following:

**CONCEALMENT, MISREPRESENTATION OR  
FRAUD**

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or

**2. Fraud;**

committed by you or any other insured, at any time, and relating to coverage under this insurance.